S. HRG. 98-254

OVERSIGHT ON USDA SOIL AND WATER CONSERVATION PROGRAMS

HEARING

BEFORE THE

SUBCOMMITTEE ON
SOIL AND WATER CONSERVATION,
FORESTRY, AND ENVIRONMENT

OF THE

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY
UNITED STATES SENATE

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OVERSIGHT ON USDA SOIL AND WATER CONSERVATION PROGRAMS

WEDNESDAY, MARCH 9, 1983

U.S. SENATE,
SUBCOMMITTEE ON SOIL AND WATER CONSERVATION,
FORESTRY, AND ENVIRONMENT OF THE
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:50 a.m., in room 332, Russell Senate Office Building, Hon. Roger Jepsen (chairman of the subcommittee) presiding.

Present: Senators Jepsen, Hatch, Wilson, Cochran, Melcher, and Helms.

STATEMENT OF HON. ROGER W. JEPSEN, A U.S. SENATOR FROM IOWA

Senator JEPSEN. This hearing will come to order.

I do regret we're getting started a little late. I thank everyone for their patience. I have been advised there is some difficulty in getting the leadership in the House to act on the PIK taxation bill. The chairman of the Ways and Means Committee has indicated he is not going to act on it, and so that has been somewhat of great concern and emergency that I think warrants and justifies the delay.

I wish we had good news on it, but we still are stalemated on it.

I wish, Mr. Secretary, to express my appreciation to you for appearing before this committee to assist this Congress in assessing one of the most important issues that faces us today.

That is a program to preserve the productive resource base of this Nation for both the present generation and for the future generations.

I would also like to compliment you, Mr. Secretary, and your staff for the work performed over the past years in preparation of the RCA document. It is evident that much work has gone into the collection of information and the assessment of that data in order to develop a program that would provide a selection of alternatives to preserve our natural resources for the future.

Mr. Secretary, all across this Nation we are losing farmable soil at an alarming rate. Estimates, which may err on the conservative side, tell us that we will lose about 15 million acres during the next 2 or so years.

We are in great peril of forfeiting our role as the breadbasket of the world, and we need to act immediately before our farmlands are disarmed in the battle against world hunger.

We owe it to ourselves, to the future generations of America to see to it that American farmers can continue to fill the promise of our bountiful land.

I know that you have faced some very difficult decisions in recent days in order to try to select a program within the budgetary constraints of Federal spending that we are now facing.

As you are well aware, we, in Congress, are agonizing with these decisions in order to try and reach the proper balance in these programs and priorities in which we should provide Federal support.

It is to this point of priority that I wish to speak. The funding levels presented in the RCA document raise serious questions as to whether or not they are sufficient to carry out a well-balanced program of resource protection. This committee is further concerned that this administration and the public not be lulled into a sense of apathy for the consciousness of soil conservation during the period of economic distress in our farming community.

It is obvious that the demand on our resources at this immediate point in time is not as urgent as it has been in past years. However, as we anticipate economic recovery and an accelerated activity in the farming community, this situation will change.

High budget deficits and low demand for agricultural products can provide a false sense of complacency about maintaining a high level of protection for the resource base.

The recent budget submitted by the President relative to soil and water conservation activities provide signals for the lack of urgency in maintaining these programs.

We cannot afford costly catch up that would be required to overcome the delays in carrying out soil and water conservation programs under the low funding proposed by this administration.

The current funding levels proposed do not provide for a prudent stewardship of the productive resource base of this Nation.

Mr. Secretary, we wish to explore these concerns along with others during this hearing, and solicit your joint support as we work together to develop program objectives and funding to carry out a balanced soil and water conservation program for this Nation.

What this committee, what this Congress, what this administration will do in the coming weeks and months will set the direction of soil and water conservation for decades ahead.

But I must admit, Mr. Secretary, I do not like the direction in which we appear to be heading at the present time.

As we approach the advent of the 50th anniversary of the creation of the soil and water conservation districts and these programs it is only prudent and wise that we, even more, critically examine past efforts and set priorities.

And it is only wise that we raise questions as to what the future direction of conservation policy should be.

For the first time in our history, the United States has an inventory that reflects the current state of the Nation's resources. This inventory, combined with the Department's assessment of resource conditions, and a recommended course of action, indicates that we

have the tools necessary to establish the proper direction for conservation policy for years to come.

We have an outstanding opportunity to be creative in designing these conservation programs, to be flexible in administering these programs, and to be responsible in making conservation programs compatible with what are often the competing needs and priorities of the Federal Government.

We have the opportunity to be aggressive in pursuing a new course of action and through these efforts to assure the public that we will be accountable for these decisions.

Frankly, Mr. Secretary, I think we are missing these opportunities. The RCA final report leaves too many unanswered questions in our minds while it contains many worthy and worthwhile goals and objectives, it is what is missing that disturbs me.

For example, neither the priorities you have established nor the proposed plan make any reference to the retention of prime and unique agricultural land.

Yet, current estimates show that about 3 million acres of agricultural lands are lost annually to urban buildup, roads, and businesses, and similar developments. If my computations are correct, this would amount to over 15 million acres lost for agricultural uses during the period of this plan.

Should not this be recognized by the administration as a serious threat to the agriculture industry?

Another reason for concern is the perception that the present array of 26 conservation programs could be made more effective. Outside reviews of USDA programs have been critical. The Department supports most of these criticisms, noting that historically the present programs, with their funding and personnel levels, have not been fully successful.

Yet, to date, only three program evaluations have been completed; or partially completed; 13 are in progress, 9 have been planned, and several remain unexamined at any level.

New problems have emerged in the past decade. Changes in farming practices, changes in farm leadership and ownership, and the conversion of agricultural lands to other uses make it essential that USDA directly equate program objectives with their accomplishments.

However, even more importantly, USDA needs to examine in-house programs in a broader environmental context—by examining how all Federal conservation and natural resource programs interact or conflict with one another, and then to take steps to coordinate with other Federal agencies to eliminate these inconsistencies.

Finally, Mr. Secretary, the bottom line is that we need to know whether your proposed national program will get us started in the right direction. It is essential that we understand your thinking about the individual elements of the proposed course of action as well as your commitment to implementing these programs.

As I indicated, the budget proposals for 1984 have caused misgivings about this commitment. I hope that you can respond to this particular concern as well as other concerns that will likely be raised during the hearing today.

Now, I know that other Senators would like to make opening remarks, so I will not elaborate further at this time.

We are about to take a giant and major step for all mankind in the area of conserving the most precious resource that we have in this country. And that's our soil.

So, we'll get into more details as we discuss the various aspects of the report and the proposed program.

So I would like at this time to start with Senator Hatch. Would you like to read a statement or submit something for the record?

STATEMENT OF HON. ORRIN G. HATCH, A U.S. SENATOR FROM UTAH

Senator HATCH. Thank you, Mr. Chairman. I would like to submit my statement for the record, along with some questions for the Secretary to answer regarding the RCA program.[1]

I would like to welcome you, Mr. Secretary, to our subcommittee, and indicate my interest in the issues that are before the subcommittee this day.

As you know, Utah is tremendously concerned about soil and water conservation. The availability of water is one of the West's biggest concerns. The quality of that water is also a concern. As you know salinity in the water is a big problem, and, of course, we are interested in your comments regarding this area.

I am also interested in the hearings that we are going to hold around the country and would like to compliment our subcommittee chairman for the efforts that he is putting forth in this regard. These are important hearings and I believe we can establish a record of facts and some information that perhaps haven't been established before; hopefully, the information gathered will assist policymakers in making important decisions regarding our most precious natural resources, specifically, our soil and I water. I would hope this hearing would also allow us to discuss the effective utilization of our water resources especially in the arid West where it means so much to us.

With these few comments, I would ask that the balance of my remarks be placed in the record.

Senator JEPSEN. The balance of your remarks will be placed in the record as if read.

Senator Melcher, your comments, please.

STATEMENT OF HON. JOHN MELCHER, A U.S. SENATOR FROM MONTANA

Senator MELCHER. Thank you, Mr. Chairman.

I'm very pleased that we are having this hearing this morning. I know you believe, and Senator Hatch believes, and I think everybody at this table believes, that conservation is a national problem and a national responsibility.

The 11th commandment, according to W. C. Lowdermilk, states,

> You shall inherit the holy Earth as a faithful steward, conserving its resources from generation to generation. You should safeguard your fields from soil erosion, your living waters from drying up, your forests from desolation, and protect your hills from overgrazing from your herd, that your descendants may have abundance forever. If any should fail in this stewardship of the land, your fruitful fields shall

[1] See p. 56 for the prepared statement of Senator Hatch and p. 49 for the questions from Senator Hatch and the Department's answers thereto.

become sterile, stoney ground and wasting gulleys and your descendants shall decrease and live in poverty or perish from the face of the Earth.

And you know, it really isn't necessary that we learn the lesson of conservation of our soil, water, and land resources every generation.

I remember well the dust bowl years, the dirty thirties. There is no need for repeating that, yet a January 21 news release from USDA points out that 550,000 acres of land in the Great Plains were wind damaged in the first 2 months of the 1982-83 blowing season, an increase of 42 percent over this same period 1 year ago.

I am shocked that USDA conservation program budget for fiscal year 1984 slashes the meager protection of our soil and water land base. We should reject it, we should reject that proposed budget. It reduces watershed and flood prevention operations from $185 million to $97 million. That's a 50-percent cut. It reduces Great Plains conservation program funds from $21 million to $16. It totally eliminates funding for resource conservation and development activities. It combines the agricultural conservation program, the water bank program, the forestry incentive program, and then slashes that combination from $211 million to a meager $56 million.

The ultimate insult and injury is that while the ASCS program budget for conservation is being devastated to 25 percent of the previous level, administrative costs actually go up slightly by about $700,000. Apparently it costs just as much to run one quarter of a program as it does a full program.

There is the $110 million extra requested by the administration for El Salvador, that was just announced yesterday. So much for a tight budget.

Long-term planning on soil conservation is only a sop to delay doing our necessary work before greater damage is done to the Nation's greatest asset, our land base.

I'm also concerned that in plunging into the PIK program, it seemed to me there was an opportunity to combine conservation practice with a new direction in handling surplus commodities.

I think this is really the important time to have an aggressive conservation program, as we idle millions of productive acres.

There are some questions I hope that are going to be answered, Mr. Secretary. That's one of them—why not combine with the PIK program, diverting these acres from production, a real good incentive for conservation practices?

After all, what are the real conservation use requirements placed in the PIK program? Is it going to be holding down noxious weeds, or are we going to do something more constructive?

If the USDA is now going to follow the RCA recommendation of increased targeting of conservation efforts, how are the targets going to be determined, particularly in the Western States where the wind erosion factor is tremendous?

While conservation is only one facet of our agricultural policy, it's a very important part. Neil Sampson, the executive vice president of the National Association of Conservation Districts, expressed this responsibility well in his recent book, "Farmland or Wasteland: A Time To Choose." He says that "continuing to grow food year after year without appropriate soil conservation manage-

ment wears out the soil as surely as though you ran a factory at full production without investing in repairs or maintenance. The factory would soon wear out, and land is no different."

I know you share that viewpoint, Mr. Secretary, and I appreciate the constraints of the finalized budget. But it seems to me that at a time when a budget can be expanded for El Salvador and some other items, certainly it's much more important to protect our land and water resources.

Thank you, Mr. Chairman.

Senator JEPSEN. Senator Wilson, do you have any statement?

STATEMENT OF HON. PETE WILSON, A U.S. SENATOR FROM CALIFORNIA

Senator WILSON. Thank you, Mr. Chairman.

I will only say that I am glad to have the opportunity to participate in the reception of this report, and I am eager to hear from the Secretary.

In the interests of saving his time and getting his testimony, I will only say that Senator Melcher has touched upon one of the questions that I intended to raise, and that is the opportunity seemingly afforded by the PIK program to enhance efforts.

It seems there is an obvious tie there, and I'll be eager to hear from the Secretary on that.

With that I would waive further statement. I do have questions when he has concluded his testimony.

Senator JEPSEN. Well, I hope we get that PIK program out of here with no more foot dragging and game playing.

Senator WILSON. I am making that assumption.

Senator JEPSEN. At this time I would like to welcome Secretary Block, Assistant Secretary John Crowell, Deputy Assistant Secretary for Natural Resources and Environment Richard Siegel, Chief of Soil Conservation Service Pete Myers, and Administrator of the Agricultural Stabilization and Conservation Service Everett Rank.

Before we launch this meeting, and Secretary Block's comments, we might be well advised just to take 30 seconds to lay the foundation of why we are here.

You know, in 1977, Public Law 95-192, the Soil and Water Resource Conservation Act, commonly known as the RCA program, was passed.

It required the Department to submit a plan and program to Congress in 1980 and 5 years thereafter.

We did not have that program submitted by the 1980 deadline, and this isn't given in a critical sense. The dates may have been unrealistic to completely compile and survey nationally—and I'm not talking about our own administration, I'm talking about previous administrations, so no one can accuse me of being partisan on this—and say that it was a big job and maybe the deadlines were a little unrealistic.

However, in 1980 there were some drafts made. A revised draft was made in 1981. In any event, the national policy and final program was sent to Congress in December 1982. That was a few months ago.

That's where we are today. Now, the fact that the national program is, according to the original schedule set, far behind at this point, I think underlies somewhat the urgency of moving full speed ahead.

So, we are about to launch on what I promise will be a very exhaustive and concentrated—with all the throttles all the way forward—program to once and for all coordinate a unified soil conservation policy and plan of action, and implement that action for this Nation.

We've had 42 years of studies. Now is the time to get to work.

Mr. Secretary, I compliment you and your Department for getting this off the dime, and moving out and presenting this program and the plan in 1982, and I look forward to the remarks.

I understand you have a prepared statement, and I assure you it will be inserted into the record as if read.[1]

If there are no objections, it will be done and you may summarize your remarks and thank you for coming.

STATEMENT OF HON. JOHN R. BLOCK, SECRETARY, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY JOHN B. CROWELL, ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT; PETER C. MYERS, CHIEF, SOIL CONSERVATION SERVICE; AND EVERETT RANK, ADMINISTRATOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Secretary BLOCK. Thank you, very much, Mr. Chairman.

You did point out that we do have other members of the staff here to assist as we go forward.

I will go through my prepared statement, but I will try to abbreviate it as I proceed. I will want to present some charts that will give us a little bit of background, and with your permission, Mr. Chairman, I will proceed.

It is a pleasure for me to be here today to make our first detailed presentation before the Congress of the national program for soil and water conservation.

This is a program that the Department of Agriculture has developed under the Soil and Water Resources Conservation Act.

It was formally sent to Congress by the President on December 21.

I welcome this opportunity, Mr. Chairman. The members of this subcommittee, I know, all share with me the deep concern for conserving our Nation's soil and water resources.

We believe that our new soil and water conservation program will improve the efficiency and effectiveness of USDA programs to conserve natural resources.

Our natural resources deteriorate where there is excessive soil erosion, improper or excessive water use, flooding and other such problems.

This program will slow that deterioration. At the same time the program goes hand in hand with other aims of this administration—a market oriented farm economy, new agricultural markets,

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[1] See p. 56 for the prepared statement of Secretary Block.

expanded agricultural research and technology, and a larger role for local and State governments.

Our conservation program calls for increased emphasis on the most critial conservation needs. Yet it reflects the current economic situation.

The program is flexible. It allows for successful operation during current economic conditions, and as the economy continues to improve. When the President released the program to Congress, he sent along with it his own statement on that policy. I have an excerpt from that statement. I'll read a portion of it:

> The Appraisal makes it clear that some changes in Federal soil and water conservation programs will be necessary to provide protection for the Nation's soil and water resources on non-Federal land. Simply increasing Federal contributions to soil and water conservation is not the answer to our resource problems.
>
> Stewardship of the land is primarily the responsibility of the individual landowner. The market place generally determines what resources the individual will devote to the management of his land and water.
>
> The role of the Federal government in promoting soil and water conservation is, therefore, subject to limitations imposed by economic conditions and the individual landowner's willingness to cooperate.
>
> The most important contribution that this administration could make to the conservation effort is to redirect current conservation programs and develop fresh approaches to solving the resource problems that continue to threaten the long term productivity of our soil and water related resources.
>
> The program reflects this redirection. It provides for these fresh approaches. It will be the new bench-mark for budget proposals and planning of all conservation programs in the Department of Agriculture in the future.

I am enthusiastic about the program that the President outlined. And a program is badly needed. One third of our cropland is eroding at a rate that reduces this long-term productivity. In the West and Great Plains, ground water is being pumped from aquifers faster than it is being replaced. The annual flood damages in upstream areas exceed $1 billion per year.

More than half of our non-Federal grazing land is producing at less than half of its potential.

In the face of these threats to our soil and water and future agricultural productivity, we've taken stock of our many existing conservation programs.

Not all the news is bad. Conservation tillage is growing in acceptance by leaps and bounds. The Department of Agriculture has had a major part in educating and persuading more farmers to participate and to practice this sensible, economical way to conserve soil.

It saves oil, it saves soil, while it saves toil.

Today we have 110 million acres, over 25 percent of our cropland, that is under some form of conservation tillage. Nevertheless, some soil and water conservation programs, while popular with farmers and ranchers, do not clearly address the Nation's most critical soil and water resource problems.

After nearly half a century of Federal conservation assistance programs, a substantial number of farmers and ranchers still have not applied needed conservation measures.

Substantial changes in Federal soil and water conservation programs are necessary if these programs are to make their maximum contribution to protection of the Nation's soil and water resources.

While many would argue that more funds for conservation is the answer, we feel that before more funds are recommended, the pro-

grams themselves need to be revamped. We have begun that task. Let us review the program itself.

The program has five major components. They will be up here on a chart behind the camera.[1]

The first one is setting USDA long-term conservation objectives. Set the objectives. Second, setting for the first time national program priorities and concerns. Priorities.

Third, redirecting USDA conservation activities in line with those priorities. Fourth, strengthening the conservation partnership between USDA and State and local governments.

Fifth, improving program management within our USDA family of agencies that operate 27 separate conservation programs.

I want to discuss these now in a little more detail.

We have set, for the Department of Agriculture, these long-term objectives. That's your number one up there. Attack excessive soil erosion. Improve irrigation efficiency in both water use on the farm and in water conveyance systems.

Reduce upstream flood damage through structural and nonstructural methods. Improve the condition of rangeland by reducing excessive erosion and emphasizing rangeland management systems.

And lastly, improve water quality in the streams that receive run off from agriculture.

The second component of RCA is to set priorities. Not all of these long-term objectives can receive the same priority. That brings us to an important part of our plan.

In our program we establish national priorities to guide conservation activities for the years 1983 through 1987.

This is the first time USDA has faced the priorities question head on in conservation. It is not an easy one, because when you establish priorities, there is always someone that feels that USDA's priority may not be their priority.

It is important that we have the courage to establish priorities and set them. The first priority for these years will be to reduce excessive soil erosion on crop, range, pasture, and forest lands.

The second priority is twofold: Conserve water use in agriculture in the arid West and reduce flood damage in upstream areas.

Now, while the national priorities will dominate USDA's efforts, we recognize at the same time a need for flexibility around the country. The program will allow room for State and local governments to choose to attack other problems not on the list of priorities with assistance from USDA. We call these other priorities concerns. They're listed there and I am not going to read them over. They are important, too, but priorities are listed at the top, and these concerns will have a lesser amount of attention than our priorities depending on the region of the country.

Our next program component is our decision to take these priorities and redirect our programs to reflect them. This is the core of the program.

We have chart three here that will bring us up to date on that.

It shows a split in funding that will result. Our erosion reduction funding will increase from 30.5 percent of all conservation funds in 1981 to 38 percent in 1987.

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[1] See pp. 59–64 for the charts in the prepared statement of Secretary Block.

See how we are expanding that portion of it. Water conservation activities will go from 10.7 to 13 in 1987. The upstream flood damage will expand 13 to 16. The other activities will be contracting, because we have prioritized.

Now, we turn to some more redirection in which we will target assistance in areas of the country with critical resource problems.

Now, the targeting concept recognizes that the most severe resource problems are concentrated in relatively small areas. Nearly 90 percent of the excess sheet and rill erosion occurs on about 10 percent of the cropland.

USDA will designate critical resource problem areas where excessive soil erosion, water shortages, flooding or other problems threaten long term agricultural productivity.

A targeted area will receive extra assistance to control or significantly reduce the problem. Targeted assistance will be increased every year between now and fiscal year 1987 at which time it will account for 25 percent of the technical and financial assistance budgets of two USDA agencies, Soil Conservation Service and the Agricultural Stabilization and Conservation Service.

Targeting is designed to accelerate conservation treatment in areas that have more critical and persistent erosion and water problems. Targeting has already demonstrated that it can be effective. The Soil Conservation Service initiated targeting in its conservation technical assistance 2 years ago, in 1981, using $4 million of new money that Congress had included in the SCS appropriations. This effort increased in fiscal year 1982 with $2.6 million in new money provided in SCS appropriations. The ASCS initiated targeting in fiscal year 1982, with $10 million. ASCS is targeting 10 percent of its total funds of $19 million in 1982 to critical areas, while SCS conservation technical assistance is targeting $12.5 million.

So targeting is already underway in this fiscal year and is ahead of schedule.

ACP, under the national program, is only required to target 5 percent this year, but instead, we are targeting 10 percent.

We have a map here for you to look at that gives you an idea of what is really happening.

This is the targeting of funds for cropland erosion control. Now, the current year is in the grey shaded area, and the projected targeting for 1984 is the dark shaded area.

You can see we don't cover all States, but we do cover a lot of States. Many, many States. We have looked to the most critical areas, and tried to address the problems in these most critical areas.

Now, we have another map, and this shows the targeting for water conservation and salinity control, and those are in the grey areas. Those proposed in fiscal year 1984—the grey is 1983, and the dark is 1984, just as in the other map. This map is showing those areas that are targeted for water conservation and salinity control.

Senator JEPSEN. Excuse me, if I may. I would like to interrupt to welcome the chairman of the committee, Senator Helms. I'm sorry, I didn't see you come in.

The CHAIRMAN. Senator Jepsen, I just stopped by to commend you and the members of this subcommittee for having the distinguished Secretary here.

I never let him come up without making an appearance, because we enjoy working with the Secretary

Senator JEPSEN. Thank you, Mr. Chairman.

Secretary BLOCK. It's a pleasure to see you today.

The CHAIRMAN. Roger, if I might, I would like to put a statement in the record.

Senator JEPSEN. The statement you have will be entered into the record.[1]

Secretary BLOCK. The State agencies and local conservation districts are actively assisting in targeting by providing additional technical and financial assistance. This assistance was valued at more than $99 million in 1981.

So far, the only agencies targeting their programs are SCS and ASCS. But in the future, we are going to be directing other agencies under the jurisdiction of the Department of Agriculture to also participate in this targeting.

The major question to be asked is, "Does targeting work?" We can reply that so far we have been impressed with the increased amount of erosion reduction that we have achieved through targeting.

Data from the first 12 months of targeting to critical problem areas show that in the 132 counties targeted to critical cropland erosion through 1982, we've increased erosion reduction by 5.8 million tons simply by shifting staff into these critical erosion areas.

Thus, with little increase in cost, we have achieved a major improvement—80 percent—in soil saved in those counties. We expect even higher performance this fiscal year.

The national conservation program will strengthen the role of existing local agencies and organizations. That's our fourth component, to strengthen the role of local agencies and organizations.

As USDA has done since 1935, it will continue to encourage conservation districts to develop local programs in cooperation with county agricultural stabilization and conservation committees, extension advisory committees and other local groups. Above all, with individual farmers.

In addition, the national program calls for matching grants to conservation districts where resource problems are severe. USDA would match State or local funds in awarding grants to conservation districts to the State soil and water conservation agency.

Senator JEPSEN. Excuse me, Mr. Secretary. I get the impression that you're indicating—are you indicating at all that there is an increase in the spending for soil conservation?

Secretary BLOCK. No, I am not indicating there is an increase. I am indicating that targeting is putting more emphasis on the areas of greater concern and prioritizing our efforts.

I might add in the area of matching grants, we had that in our budget for 1983 and it did not make it through the Congress. In 1984 we do not have it in the budget, but we still feel that it is important that we have that as part of the program and we need to be adopting it some time in the future. Because I think that that can help strengthen the program.

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[1] See p. 53 for the prepared statement of Senator Helms.

The fifth, and final component of the national program calls on USDA to improve the management of the programs that we oversee. And I know that that was one of the concerns that you brought up, management and coordination. Doing a better job here.

USDA will put conservation into the eligibility requirements for certain loans from Farmers Home Administration. We have already done that. An applicant for a farm ownership loan or soil and water loan will need a conservation plan. And I think that that has worked reasonably well to date without any real hitches or any problems.

A resolution favoring cross-compliance p. ssed at the convention last month of the National Association of Conservation Districts. This shows heightened concern on their part.

We have not taken a position on this, and we have not come forward and recommended cross-compliance, but in accordance with Senator Melcher's recommendation, perhaps there's a way through the PIK program that we can do a better job of encouraging soil and water conservation. We are looking at this seriously, as we look to the 1984 PIK program.

The fact is we were in such a hurry and the time constraints were so difficult getting the program underway this time that we just chose not to try and cloud the issue any more than was necessary. So we didn't put a conservation element in it per se.

The fact that we're going to be idling, hopefully, 23 million acres, and it will likely be the most fragile land, that in itself will provide some soil conservation thrust.

Furthermore, we are requiring on that land, except for the summer fallow country, we are requiring that it have a soil conserving cover crop on it.

Let me move on here and comment briefly on—I'm skipping through a little bit of this—the funding for the program. We have a chart on that.

The Department projected two levels of funding for the national conservation program, a high bound and a low bound. The high-bound level has as its starting point the actual congressional appropriations for all USDA conservation activities in 1982, and this level expressed in 1983 dollars is $1 billion or thereabouts.

Under high-bound figuring, this amount would rise 5 percent each year, through fiscal year 1987. Thus, in 1987, high-bound funding would reach $1.28 billion.

The low-bound level has as its starting point, $735 million requested by the administration for fiscal year 1983 for all USDA conservation activities. In the fiscal years 1984 through 1987, low-bound funding would remain at a constant level.

In the budget for fiscal year 1984 sent to Congress in January, it was necessary for the administration to request 6 percent less funding for conservation. Six percent less than $735 million low bound, due to the austerity. In future years, economic and fiscal conditions may intervene to bring this figure once again below the low bound, or perhaps we can get back up in the middle of that range, which would be a very desirable objective, I might add.

Senator JEPSEN. Just to make sure that the record shows, these figures or levels are based on budget numbers, and not on the consideration of conservation needs, is that accurate?

Secretary BLOCK. No, these figures here are what we felt would be in our study, in our review. If we stay within these bounds, or try to work as an objective within these bounds we can achieve the objectives that are laid out in the conservation plan.

We can always spend more money, but——

Senator JEPSEN. In other words, you're saying, that what is recommended will, in order of the identified goals, meet the conservation needs as you——

Secretary BLOCK. As the plan is laid out.

Senator JEPSEN. The plan as laid out now?

Secretary BLOCK. Yes, sir.

Senator JEPSEN. Six percent below the low bound meets the conservation needs.

Secretary BLOCK. The 6 percent in this year will satisfy the needs, but what happens when you have the 6 percent below instead of in between those bounds is that we have to forgo something that we would have been able to spend money on otherwise. What we really are forgoing, the facts are, are watershed work, watershed planning. That is where most of the money is saved.

The decision was made to forgo spending money on these projects during difficult times, realizing that they are not programs that are that critical for soil erosion.

Senator JEPSEN. Just for the record, this low bound, this 6 percent under the low-bound figure does, as projected and submitted by you, meet the conservation needs as they are programed rather than the budget restraints?

Secretary BLOCK. We'll go into—I think what you are saying is right.

Senator JEPSEN. That's what you're saying. That's all I am saying. I'm not saying it's right. I'm not sure I think it is. But just so long as we get that differential.

Secretary BLOCK. I'm ready to close. Just in closing, we look forward to working with the committee. We would look forward to implementing this program. This program depends much more on the participation and the acceptance of the individual farmer-producer than any other program or plan we've ever had in the past.

We've had 50 years of soil and water conservation programs. If you look back over those years, there have been a lot of good things accomplished, but the fact is, we haven't gotten the job done. We still have a lot more work to do, and I think right now we're looking at doing it the way it should be done.

We have 140 million acres that are eroding away at the rate of 5 tons a year. That's unacceptable. Now, if you would put terraces on all that land, it would cost about $21 billion, and that's just the Government's share. The farmers would have to spend a like amount, the other 50 percent.

The costs are just more than the farmer can bear, and more than the Government is likely to spend also at this time. So the real solution has to be in prioritizing, targeting, and getting farmer producers to adopt soil conservation practices on the land that don't cost them money.

That's conservation tillage. Mr. Chairman, as you know, it is being adopted at a very encouraging rate across many parts of the United States.

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Thank you, Mr. Chairman.

Senator JEPSEN. The Chair would like to recognize the very distinguished Appropriations Subcommittee chairman on Agriculture, Mr. Cochran, and a member of this committee.

Senator Cochran, do you have a statement that you would like to make?

STATEMENT OF HON. THAD COCHRAN, A U.S. SENATOR FROM MISSISSIPPI

Senator COCHRAN. Thank you, Mr. Chairman. I do have a statement which I would like to present for insertion in the record.[1]

I want to thank you and commend you for your effort in getting this hearing together, and for your work in helping to provide leadership in this whole soil and water conservation area. It's extremely important and I think we need to review this report very carefully.

I want to commend the Secretary for the direction that he is giving to our future conservation efforts. And I would like to express my appreciation for his being here to talk about that with us today.

Other than that, I simply would ask that my statement be included in the record. I will have some questions to discuss later.

Thank you, Mr. Chairman.

Senator JEPSEN. Your statement will be placed the record. Thank you, Senator Cochran.

Mr. Secretary, the RCA examined recent changes in soil, water, and related resources. From this examination, the Department identified five major resource problems which you pointed out here today. Each resource problem is expected to increase if the demand for agricultural products grows and we hope that the demand does grow.

However, first, the intensity of conservation problems varies widely in scope across the country which you also very ably pointed out. A nationally uniform program may not be the best way to address the diversity of the questions and concerns as you have indicated, both on a needs budget, and combination prioritizing basis.

Just so that we can start with the first step, and so we may know what to do and the way to do it as we move out to accomplish something here, what was the RCA total cost to the taxpayer?

Secretary BLOCK. Go ahead, John Crowell.

Mr. CROWELL. The best information we have indicates that the following costs were incurred from 1977 to the portion of fiscal year 1983 which involved time expended by the Department in developing the RCA, first the appraisal and then the program.

Figures for public participation, which was very extensive, as I know you are aware, Mr. Chairman, were $7.8 million. To conduct the appraisal, which was a monumental task, cost $12.5 million. The cost for developing the program was $8.5 million, and then the evaluations of the public participation and of the other input we got in developing both the appraisal and the program would have cost $3 million, so that the whole process, according to our best es-

[1] See p. 53 for the prepared statement of Senator Cochran.

timates at the current time, was $31.8 million, spread over 6 different fiscal years.

Senator JEPSEN. Now, then, following that along, anyone, I'll address these questions for the sake of orderliness here to you, Mr. Secretary, and then you direct them to whomever you want.

Why was it so late in submission to Congress? You know, after 30,000 copies were printed—they were printed sometime before we received the report. Do you know why?

Mr. CROWELL. Primarily because the program had to be reviewed by the Office of Management and Budget, and that took a considerable amount of time, Mr. Chairman.

Senator JEPSEN. Is it correct to assume that the RCA program was not derived by setting up objectives for completing specific amounts of conservation by a specific time?

Mr. CROWELL. I would say that was true, that the program in the final analysis, had to look at two things. One is that the accomplishment of conservation objectives is never going to be completed because it is an ongoing task.

Every time we put a plow into the ground or till the soil it's going to aggravate the possibilities for soil erosion. So it's a job that will never be finished.

What can be talked about, in terms of goals, would be the desirability of reducing soil erosion to the point that it is no longer damaging the prospective productivity of the land.

That's a complicated goal in itself, because although we use the rule of thumb, 5 tons per acre per year as being tolerable soil loss levels, that is not tolerable in every instance.

There are some fragile or thin soils where we couldn't stand that kind of erosion rate.

So, even to say that a desirable goal would be to reduce the rates of erosion to 5 tons per acre or less is a simplification which we should avoid falling into.

So that we also recognize that achievement of whatever goals are set is going to be a question of the available resources we have to spend on it, and also a question of how we organize the resources, not just of the Federal Government, but of State and local governments and, most of all, of the agricultural communities.

Senator JEPSEN. Thank you. We can take and have a 10-minute limit on questions here. I would like to try to stay with the questioning on some type of an organized basis so we can proceed and cover all the bases. However, if some Senator has to leave and does want to ask questions out of that particular schedule as we proceed, why, of course, he is invited to do so.

Right now, my questions—and I am finished with them—were with regard to the RCA process, or the resource priority. Is there anyone who has any questions on this particular area that they would like to pursue?

[No response.]

Senator JEPSEN. I will then go to the resource priorities. Your objective No. 1 was soil erosion. From the 1980 appraisal it can be summarized that about three-fourths of the Nation's land and cropland is losing soil at less than 5 tons per acre, the nationally accepted rate at which long-term productivity can be maintained.

However, on the remaining 141 of the 418 million acres of cropland, soil erosion by water and wind is reducing productivity to a greater extent.

Over the next 50 years, productivity losses would equal the output of 25 to 62 million acres of cropland, or production of 50 to 75 million metric tons of grain annually.

Now, on pages 29 and 30 of the program document, you discuss that USDA would develop a program to reduce excessive erosion. We were hoping that the RCA report would include such a program.

Are we in agreement that it does not?

Secretary BLOCK. No, sir. I believe that the program will reduce excessive erosion by targeting the areas that are the worst offenders and by spending a greater portion of our resources on soil erosion and on the prioritized areas of concern.

Senator JEPSEN. So you are indicating that there is a program indeed in the report?

Secretary BLOCK. I can't say that the report says that by year 2000 we're going to have all the erosion problems solved. That's not true. But the report does give us a direction, a course of action, and a means of addressing and attacking the erosion problems that is a more efficient and effective means of attacking and addressing these problems than we've had in the past, and it tries to do it within at least some kind of, hopefully, reasonable restraint on the amount of money we're going to spend.

There's really virtually no limit to the amount of money we could spend on soil conservation.

Senator JEPSEN. Then, really, what we're saying, without getting into semantics, that this is really a plan and not a program. Is that it?

What would you call it?

Mr. CROWELL. I think it's both. I think we have both a plan and a program, Mr. Chairman. Both plan, program, whatever you want to call it, is directed more effectively than it ever has been before to achieving reduction of soil erosion and to achieving water conservation.

By saying that, I don't mean to be critical of past accomplishments. But as you pointed out yourself, for the first time, we have an inventory, which was very expensive, and very time consuming to put together. But it's also very valuable.

The main use of that inventory of our resources is to show both what we have and what we're losing. And from that, we've been able to develop for the first time a program which I would call prospectively efficient.

Targeting is a mainstay of that particular approach of that program. It's going to accomplish far more in terms of reduced soil erosion with the same dollar than we have been able to achieve without the inventory data we previously were operating without.

Senator JEPSEN. One last question in this general area of priorities. Agriculture—skipping now to water quality—agriculture is the main source of nonpoint pollution. Pollution comes mainly from runoff and irrigation return flow. Runoff is generally responsible for higher levels of bacteria, sediments, nutrients, and pesti-

cides, while irrigation return flow is generally responsible for higher levels of dissolved solids, nutrients, and pesticides.

My question is, how will we really help people with the nuts and bolts problems of water quality, and do we have a program for this?

Secretary BLOCK. I was just going to say, quickly, that is one of the concerns, but it's not at the top of the priority list. The way to attack it partially is, and in fact, primarily, improved conservation on this land is going to reduce this runoff. It's going to reduce the pollution process that you are referring to.

Senator JEPSEN. Does that describe, though—I'm again trying to put a frame around it. Do we have a program for it, or, for example, are we going to continue the rural clean water program or something similar? What's the plan?

Mr. CROWELL. The fact that water conservation and conservation of irrigation water, particularly, is one of the two major priorities indicates that we certainly are going to have a program for reducing problems with water quality.

We also, as you know, Senator, have an ongoing program with respect to animal waste management which will continue to receive attention in those areas of the country where that is a problem.

That would fit under what was identified on the second chart, I believe, as a concern. Not priority. But it still would be a concern which would receive attention locally. We have a good deal of flexibility built into this program so that local concerns can be dealt with by the local conservation district.

Senator JEPSEN. May I interrupt you there? On the local concern or priority basis, can someone explain to me how this priority setting or local concern, importance setting will work at the local level?

How do you know that it gets done if it doesn't have the emphasis on a normal concentrated program from on top?

Mr. CROWELL. Of course, each conservation district is a creature of State law. The delivery program that the Soil Conservation Service has in place for its technical assistance is accomplished through the conservation district.

Senator JEPSEN. May I stop you there? Now, you say that this isn't on your top list of priorities, but it is listed in the concern area.

My question is how can locals give priority with USDA assistance to problems that are not on the USDA list?

Mr. CROWELL. Well, I'm saying that although they're not a top priority, it is a concern, and the districts can, of course, make use of the technical assistance available through the Soil Conservation Service once they've identified water quality as a major problem for their district.

Secretary BLOCK. You see, we have priorities, but that doesn't mean that we don't give any attention to concerns. And if a certain area has—they're going to prioritize the priorities, but there's going to be still room to address one or two of these others that are down in the concern area, but won't necessarily address all of them.

Senator JEPSEN. Senator Melcher?

Senator MELCHER. Thank you, Mr. Chairman.

Senator Cochran, I used to remind your predecessor that that rich delta land down there, Mississippi, was built up over the course of thousands of years by taking the top soil from our State and other States and piling it up there.

That was real erosion. We've come a short way in correcting that at least by upland water storage, and, of course, quick soil dams on the Missouri have cut down on flooding.

We're really not contributing all that much to that very rich farmland they have down there any more.

We have another type of erosion, wind erosion. We haven't done too much about it lately. During the thirties, we went to shelter belts and strip farming, to try to cut down on wind erosion. We're at the mercy of the wind and the mercy of nature in how much rainfall there is to hold that soil base.

So, Mr. Secretary, the long and the short of this is Congress hasn't done an outstanding job over the last 10 or 12 years, or longer, perhaps in conservation work. But during the last 2 years we've been holding it around a billion dollars for the conservation program.

Now the budget request of $694 million is almost $300 million less than what Congress has been appropriating for the last 2 years in a restricted budget cutting program.

It seems like for the last 2 years the budget requests come in so low, knowing full well that Congress will appropriate more, and I'm just concerned, you know, that all your charts and all your figures showing where you're going to prioritize this money, when you say erosion control over 4 years will get, instead of getting 31 percent of the total amount of dollars will get 38 percent of the dollars disguise the fact that the total commitment is far less than it used to be.

If we followed your advice, the administration's advice, we would be cutting erosion control dramatically, from what we have done in the last 2 years, knowing full well that we've cut too deeply into conservation.

So, what good is this presenting a small amount of money and then saying you're going to increase erosion control by 7 percent of that total budget, when the total budget you've projected is not only minimal, but subminimal.

But really, if we had to follow this, we would be in terrible shape.

Secretary BLOCK. Senator, I think once the decision is made of how much money is available, whether it is a higher figure than we have submitted, or what we have submitted or even less, there still is a great amount of advantage in making sure that we do prioritize that which is available to the areas that are of the highest priority.

The question, the argument or the difference of opinion here is whether we're providing enough, or we are requesting enough money in the budget, and one of the problems is to decide. Where do we spend the money that we have on agriculture?

I would put one of these charts up. That's a good one.

In the last 2 years, since 1980, we have been spending ever increasing amounts of money in agriculture for various programs.

These are loan programs, but they go to agriculture, they go to farmers, they help to have enough money to afford machinery, practices, whatever they need to do to stay in business, and there's been a real growth in the amount of money spent here.

CCC loans, direct payments, farm loans, emergency loans, export credits. You can see how it's just expanded since 1980 and, you know, you could say that well, we shouldn't have expanded maybe one of those as much. We should have spent the money on soil conservation.

I think that's a valid argument to make. At the same time maybe we are spending them in the right places. Maybe the priorities are right for today. When I see on the horizon conservation tillage, which does not cost money—it pays—we are really getting a job done here in controlling soil erosion across the United States. We're doing it without spending a large amount of new resources on soil and water conservation.

Not that I'm critical of soil and water conservation programs, because I can go out south of my own barn at home and stand in a field, a 40-acre field, that used to have gullies in it. It has terraces now, and it's in great shape. So it's a good program.

Senator MELCHER. Well, better tillage methods have been coming on for years. One of the first sellers of deep tillage, without flopping the land over with a plow, was located right in Montana.

I well realize how important that is, but that does not protect us against wind erosion unless it rains. And we can get back into this same period of the Dust Bowl if we're not careful and we don't practice conservation.

But all those increases in expenditures are principally taken up there in the dairy program which is the CCC purchases, that orange color, and the increase in loan activity.

You're going to get that money back. You're going to get it back one way or the other. They're going to repay that loan or they're going to have a PIK deal, it's going to go into that.

But that's where all that increase is, and you made the statement that the farm income levels are low, and they certainly are. Farm and ranch operators have got precious little net return, and that follows that fiscal year 1981. Fiscal year 1981 would reflect the crop year of 1980, when they had some money and had some net return and the tides turned right after that.

So, that brings up the point—if you get your way on this budget, not only are you decreasing the amount of money of Federal outlay, of Federal dollar outlay, you're decreasing the amount that would come from cost sharing.

Because that $190 million that was, I think, already established for ACP cost sharing programs before I got to Congress, and it never has moved off of that. Maybe the first year I was here it moved from something up to $190 million, and it's been frozen. It was frozen there again last year. It isn't enough, because we're doing just half the amount of cost shared conservation work with $190 million, maybe even less than half than we were doing in 1972.

So we're losing ground pretty rapidly.

That really brings up the point: If this Congress adopts your budget, the administration's budget, I won't say your budget, but

the administration's budget probably isn't your preference, but if we adopt that we would not only cut back $300 million in outlays from the Federal Government in conservation work, but we would also cut back on what will be spent by the farm and ranch operators because of cost sharing. Furthermore, $56 million that's in the budget isn't all cost sharing money.

You lump some other programs in with it, and so we're down to cutting out $150 million, $160 million, $170 million of cost sharing money that would come from the individual operators. This is despite the fact we know that that's important in order for the individual operator to make his investment along with the Federal Government for these conservation practices.

I trust we won't adopt this budget. We really won't get where your charts would indicate we want to go if we would. That's all I have to say.

Senator JEPSEN. Senator Wilson?

Senator WILSON. Thank you, Mr. Chairman.

I think it would be interesting if we could pursue the comment made earlier by Senator Melcher.

Mr. Secretary, I would think that the PIK program does afford us an opportunity for some enhanced conservation, and it might be that one of your staff would like to elaborate on that.

I think that there is a fundamental concern here as to whether or not there is adequate money in these programs, but it would seem that a great deal of the Department's emphasis is on simply encouraging practices, and I think that if you're not over optimistic, the PIK program represents an opportunity to bring some land back.

Whatever comments you would like to make on that. I would like, Mr. Chairman, if it's appropriate to shift really to the water conservation area.

Senator JEPSEN. Sure.

Secretary BLOCK. Let me comment on that just quickly. I have an open mind. We were rushing to put in place this PIK program and did not want to cloud it this first year with some kind of conservation component.

But my mind is open for ideas that anyone may have, and we're going to be looking at different possibilities for the 1984 season.

Senator MELCHER. Would the Senator yield on that?

Senator WILSON. By all means.

Senator MELCHER. I assume that that means it could start this fall.

Secretary BLOCK. Yes, sir, it could. There may be a way to do it.

Senator MELCHER. PIK commodities for the incentive?

Secretary BLOCK. And I would welcome any suggestions that may be coming in. We've been hearing some.

Senator MELCHER. PIK commodities could be used for the incentive?

Secretary BLOCK. I think that somehow that would have to be worked out some way.

Senator MELCHER. Thank you.

Secretary BLOCK. Do you have something, Pete?

Mr. MYERS. We've been working on that for the last 6 weeks, this approach in SCS, and we'll have it on line when the Secretary and anybody else, and we'd welcome——

Senator JEPSEN. Would you mind using the microphone, please?

Mr. MYERS. We have been working on this exact concept, but we do recognize that the pressure on the ASCS, county committees, and we thought that we couldn't implement it this year, but we have this exact thing on line that you're talking about, Senator, and we're working on it. We would welcome suggestions.

Also, I want to add, on the PIK program, we think it has definite advantages for soil conservation. We think we will get fragile land out of production, because this is what the farmer is going to take out first, and we are going to be very—Mr. Rank and myself, and ASCS—we're going to be very aggressive in being sure that that land is protected.

Also, it gives us an opportunity for permanent conservation practices on a lot of this land that's going to be set aside. We think in the summer we can go out, contractors can be put to work to put in terraces, waterways and things like this.

So we think there is an excellent opportunity for permanent conservation on the PIK set-aside land.

Senator WILSON. Mr. Secretary, I wonder if you could elaborate a little bit for the benefit of my education as a new member of the committee. I am interested in the criterion that really guides your targeting, especially as it relates to water conservation practices.

Secretary BLOCK. I am going to ask John to give us a little detail on how we find it, within the States, and which States and which areas within the States.

Mr. CROWELL. I think the way to start responding to that question, Senator Wilson, would be to look at the map which shows the plans for targeting with respect to the water conservation objectives.

You can see that the areas of the country which are identified there are largely the arid regions of the country, with some minor exceptions.

The problem, of course, with the arid regions is one of water conservation so we don't exhaust our supplies of water, whether they are taken for irrigation purposes from streams or whether they are drawn from underground aquifers.

The other problem is the question of irrigation return flows which causes salinity to build up in the lower water courses. The ways in which those problems can be dealt with are several. One would be to cause fields where irrigation is taking place to be leveled so we don't get an uneven distribution of water across the field as it's put on. Another is a metering system to get water onto the field only in the quantity that can be used by the crop and not an excess quantity which would then tend to either evaporate or to soak into the ground or both.

When it soaks in, of course, that contributes to the return flows which carry with it salts that would be leached out of the soils, so the efforts would be to control the application of water to irrigated fields.

Another concern, of course, is to make sure that water losses in aqueducts are reduced. That can frequently be accomplished by

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lining the aqueducts. Many of the artificial water courses that have been constructed to carry water in these Western States have not previously had that kind of expense incurred. It's a pretty big capital expense, of course, but as we enter into an era when water is increasingly precious, the expense is justifiable.

Senator WILSON. Well, my question really is how do you determine these priorities of which the Secretary has spoken.

I look at that map and I see that current funding in my State covers a good portion of the southern San Joaquin Valley and the Imperial Valley and Riverside County, and I can readily understand how the goals that you have enunciated cry out for satisfaction in that area. To describe it as arid is to understate it a little.

I note that there is nothing for fiscal year 1984, and what I am really getting at, what I would really like to know, is just exactly how you are determining where you want to spend the money and just what are the criteria, a little more precisely than you stated.

Mr. CROWELL. One of the criteria, of course, would end up being, is water scarce or abundant. That's why we have identified the arid areas.

Senator WILSON. That one we can settle quickly in California. Right now it's a little overabundant.

Mr. CROWELL. And then another criteria, where ground water is being used heavily for irrigation, is it being depleted or is it being recharged?

Another important one, of course, is whether there is a local interest or concern, because none of this can be carried on as you understand simply by the Federal Government. This is basically a cooperative project where the Federal Government essentially is supplying the technical knowhow for carrying it out, and then some of the money, depending on how much cost sharing money is available. Then also the question is whether the solutions to the problems that are identified are ones which are economic and ones that are, consequently, feasible.

All of those criteria are applied for identifying the areas which show up on the map dealing with targeted areas for water conservation.

Secretary BLOCK. Do you have anything more to add, Pete?

Mr. MYERS. No. But I would say one thing more, that these are generated within the States, these requests. For 1983 and 1984. We didn't go out and pick them here in Washington. These requests were generated, based on these criteria and reviewed here, but the requests came from the States. Not only from SCS. We involved district people; we involved the State water boards in all of these requests.

Senator WILSON. So, then, in California, your activities there have been taken in concert with the State water resources board, I would assume?

Mr. MYERS. To the best of my knowledge. I can't tell you specifically about California. All of the agencies we can involve are involved at the State level in these requests. I can't tell you specifically if that board was involved in California. I know that they play an important role in that State.

To what extent do you, in taking into consideration local interests and support in the area of the ground water depletion, to what

extent do you look at local or State efforts to try to recharge ground water, and to—that's clearly not a requirement, I gather, but I gather that if something is underway you are encouraged to assist.

Mr. CROWELL. Essentially that is correct. I know there is a lot of ground water recharging work being done in California, and has been for 30 years.

Secretary BLOCK. We're there to cooperate, without question.

Senator WILSON. Well, is the nature of that cooperation, I guess what I'm really getting at is the thing that could contribute measurably to that obviously would involve major capital projects.

To what extent are you involved with other agencies in a determination that the national priorities might be served by, and frankly some of your conservation money saved, by taking a longer term approach?

Mr. CROWELL. I'm afraid I don't understand the question.

Senator WILSON. Well, for example, if you are able to expand the capacity of the existing reservoirs in the Federal or even the State system, you'd perhaps go a long way toward being able to significantly recharge those falling ground water levels.

Mr. CROWELL. I see the question. In other words, what kind of input might we have for our Department of the Interior or Corps of Engineer projects?

Senator WILSON. Exactly.

Mr. CROWELL. I'm not sure that we would have very much because most of those kinds of projects start with the local and State interest in them. When they touch on areas that are particularly within the technological levels or expertise of the Soil Conservation Service, I suspect that the SCS is turned to by the initiating agencies for those projects.

Secretary BLOCK. Senator, what Assistant Secretary Crowell is saying is a fact. However, in terms of national policy, as it relates to all of these activities, with the Corps of Engineers and other activities of the Department of the Interior, we do have an input. We are part of the Cabinet Council on Natural Resources and Environment, and at the Secretary's level we have an input there.

When you get down to the individual kind of projects, it would only be an input that perhaps might be provided within the State, where the State conservationists work with other interested parties, other departments, or other agencies, or maybe some local community. Soil and water districts work with the interested parties.

Senator JEPSEN. Will the Senator yield?

Senator WILSON. Surely.

Senator JEPSEN. What the Senator has touched on here is one of your goals, and that is the improved coordination among Federal, State, and local agencies.

But what I heard you answer to him is, and I'm paraphrasing it now, and you tell me whether I am wrong, is that you might pass on that information, but it wouldn't be necessarily accepted or used?

Mr. CROWELL. That is essentially a correct paraphrasing of what I said, Mr. Chairman.

Senator JEPSEN. That's not very good coordination, is it?

Mr. CROWELL. Well, of course, that's one of the things we would hope we could improve. That's why it's part of the objective. We recognize that even in the Federal Establishment, or maybe especially in the Federal Establishment we don't have the kind of coordination that would make for the absolutely most efficient projects.

For Senator Wilson's information, there does seem to be a historical breaking point, if you will, or area of responsibility where the Soil Conservation Service in water projects works on upstream or smaller watershed basins, where the corps and Bureau of Reclamation tend to have the responsibility for larger developmental projects.

Of course, more recently, in your State, you've got some very major State agencies that have developed some of the most significant water projects in the country in the last 10 or 15 years.

Senator WILSON. Thank you, Mr. Chairman.

Senator JEPSEN. Senator Cochran?

Senator COCHRAN. Thank you, Mr. Chairman.

I want to go back for a minute to the question about the opportunity of using the payment-in-kind program to help achieve some conservation gains.

I had written the Secretary back in January proposing that USDA implement a conservation PIK program. It was my thought at that time that we had an opportunity with the payment-in-kind program to defray the cost of applying approved conservation practices by using a partial payment in kind.

[The following letter was received for the record:]

U.S. SENATE,
Washington, D.C., January 24, 1983.

Hon. JOHN R. BLOCK,
Secretary, Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: I know you are aware of the severe problems we have in many areas of the country with wind and water erosion. Too often conservation takes a backseat or is overlooked during surplus and economic adjustment periods like these. I'm concerned that we might miss the opportunity to accomplish additional conservation and maintain the productivity of our nation's agricultural base through PIK.

With the idling of 23 or so million acres under the PIK program, I believe we have the opportunity to make some substantial improvements in the conservation of our soil and water. To do this, it may be necessary to provide a partial PIK payment to defray the cost of approved conservation practices.

I would appreciate your attention to this and would appreciate having the benefits of your thoughts on a possible "conservation PIK" program.

Sincerely,

THAD COCHRAN, *U.S. Senator.*

I realize this has been explored earlier in the hearing by Senator Melcher, Senator Wilson, and maybe the chairman. Mr. Myers, you say it's under study and that you're working on a proposal to present to the Secretary.

In connection with that, what steps are being taken to verify that the acres that are being idled that is, diverted from production, are being protected while out of production? I think verification is an essential part of this overall effort, too.

Secretary BLOCK. The acres that are out of production are required to be put in a soil conserving use with a cover crop over

them with the exception of the areas of the country where they do have summer fallow.

We even changed some of the rules. We had allowed in the past for producers to raise corn or soybeans on this land. We disallowed that this year for a couple of reasons. One reason being, of course, especially in the case of soybeans, they might want to fall plow it, and the soybean ground is quite erosive, so we decided that they should have some other kind of cover crop that would provide greater protection.

Mr. Rank may have something to add.

Mr. RANK. Yes, could I respond to that, Senator? We are going to require a conservation use applied to that land. I've been traveling out in the country, and one of the things that has happened out there, the small seeds become almost short out there, and the price has increased. You know, because the farmer is out purchasing seed to plant some kind of cover, grass cover, alfalfa seed, small grains to plant for this conservation use of land.

So we are going to require that this land be protected so that it does come back into production in better shape than when it went out. And we're talking, as the Secretary stated, of about 23 million acres in PIK. We have about that many acres also in the previous announced programs.

So we're talking about 45 to 50 million acres is going to have a conservation use benefits applied, and we're going to be really strict on that to make sure the county committees work with SCS and make sure that this applies to every piece of land that is taken out of production.

Senator COCHRAN. How are you going to verify that that has been done? Is there going to be an inspection process or a monitoring program?

Mr. RANK. Yes. We will inspect a certain percentage, plus we're going to put out a lot of information to farmers and the public on how these conservation use acres will be treated, plus peer pressure.

I think there is more of a concern and awareness out there of our land by farmers today and I think they're going to watch the neighbors to make sure the neighbors do the same thing they're doing.

So it's going to be kind of self-policing, we hope.

Senator COCHRAN. In the RCA report that is the subject of this hearing, it was pointed out that there are some opportunities for congressional oversight. I understand the program doesn't need to be implemented by special legislation, but I wonder whether there are changes that might be needed that would have to come from Congress. For example, instead of requiring a report every 5 years, I'm wondering whether or not it ought to be extended to a 10-year cycle?

I think the chairman made the observation that we were, just now getting the initial report. The law, passed in 1977 called for the first report in 1980. The followup report is due in 1985. Is this something that may need the attention of the Congress? Should we come in and revise the law to provide for a more practical timeframe within which to operate?

Secretary BLOCK. I think that's worthy of consideration. It makes sense to me, because we have a lot to do. I don't know how far along we'll be after that period of time.

Senator COCHRAN. I think it is obvious that the development of the report, the assessment of it by OMB and the other agencies, and the public participation that's required in the development of the report is obviously taking a lot more time than anybody expected.

Is that correct?

Secretary BLOCK. Without question, that's true.

Senator COCHRAN. Could you delay the report cycle administratively—put in a 10-year cycle?

Mr. CROWELL. No.

Senator COCHRAN. Would we need to change those dates?

Mr. CROWELL. It would have to be changed legislatively, and the Secretary is right, we haven't gotten this up to his level yet, but we have had actively under consideration the possibility of making that very recommendation to him for possible suggested legislation.

We think that, although, when you look ahead, 10 years is a pretty long time. You look back, 10 years isn't so long.

Senator COCHRAN. Well, the act, itself, will expire in 1985.

Mr. CROWELL. We do believe that it is entirely appropriate to have periodic program reformulations. But we're talking about some fairly long term things here, and I think it would be helpful to avoid having to divert effort to a 5-year periodic review.

I think your suggestion is an excellent one. I am pleased that you're already ahead of us, Senator.

Senator COCHRAN. I wonder too about targeting and how you're going to actually do that. We were looking at your display map which doesn't have any colors in Mississippi, I notice.

Secretary BLOCK. That's water conservation.

Senator COCHRAN. Do you have one that shows the other targeted areas?

Secretary BLOCK. Put Mississippi up there. I hope there's something from Mississippi.

Senator COCHRAN. There we are.

I'm supportive of the notion that we do need to put emphasis in those areas that have critical needs. You've identified those in this report and I think that's certainly a worthwhile exercise. We need to know where the problems are and then what can be done to help correct them.

But I wonder whether or not this means that we're going to put all of our bucks in the basket that is identified there and ignore the opportunity we have to implement some sort of preventive practice in the areas that aren't so critical.

Are we going to just sit by and not do anything in these other areas and let them become critical? And then come in and try to spend a bunch of bucks, new bucks, to fix a critical problem, whereas a smaller investment might have helped prevent other areas from becoming critical?

Secretary BLOCK. Senator, we are not going to neglect the other areas. At the very maximum time of targeting, we would not have more than 25 percent of the funds targeted right to those areas that are the most critical.

We're going to continue to address the total needs. I think it is a fact, though, that those areas are critical areas for a special reason. It's because of the topography of the land and the soil type, perhaps, and consequently they really are the areas that needed the most attention.

Senator COCHRAN. Will this require the relocation of USDA technical assistance personnel to these areas?

Secretary BLOCK. Some people, yes. It would require some relocation.

Senator COCHRAN. Again, does that mean that you are going to move people out of Colorado, Kansas, Oklahoma, Wyoming, and Montana into these other areas?

Secretary BLOCK. I would ask Pete to respond.

Mr. MYERS. Not necessarily, because, a lot of those areas will have water conservation areas, and we're going to maintain a base level in all areas so we can maintain the program.

Traditionally we may have had too many people in some districts. This is what we're attempting to do with the targeting, shift the people to where the problems are, and still maintain a base level of assistance in all our districts.

We do recognize the situation, Senator.

Senator COCHRAN. In connection with the allocation of 25 percent of the budgeted dollars to the priority or critical areas, I wonder whether or not it is consistent to request what amounts to a 30-percent reduction in funding for soil conservation efforts at a time when we are trying to put some added emphasis into special areas?

It seems to me that level of funding is going to bring down the level of commitment to soil conservation generally if you are getting less money to do the job. In 1983, your request was $737 million. In 1984 fiscal year it's $694 million. That's a 30-percent reduction below the 1982 funding level. It seems like it's being deemphasized.

Secretary BLOCK. It is a reduction. However, the technical assistance which is the critical part of getting this job done on the land, personnel to provide this assistance, that is not going to be cut.

The technical assistance on the land is going to be maintained at the same rate. A high percentage of that reduction in spending is money that would have been spent, or would be spent on small watersheds, watersheds and watershed planning. The thought was that we could forgo some of that spending temporarily, while we have the tight budget situation that we're looking at today.

Furthermore, it is, indeed, my opinion, that the ultimate success of our program to control soil erosion is not primarily dependent on the amount of money spent. It's primarily dependent on farmer acceptance of conservation programs, farmer application of conservation tillage, and the high priority that farmers across the Nation place on conservation.

I am of the opinion that we are witnessing before our eyes today the beginning of a revolution in soil and water conservation. It's a revolution that is sparked by a new awareness of the problems that we face in maintaining and preserving our richest natural resource, and that's our rich land.

I am really excited about what is going to happen and it's going to happen in spite of how much money we spent, almost. It's going

to happen because the producers across the United States and the news media, and the public and everyone believes that we have a problem and everyone is ready to solve it.

And that's why we're going to get it done.

Senator COCHRAN. One concern of mine is reconciling the budget request to the RCA report. In the report, there are two levels of program funding established. One is referred to as the upper-bound level. The other, the low-bound level. The assumption, necessarily, would be that the lower level would be the level below which conservation funding would be unacceptable.

So, when you look at the so-called low-bound figure, which is $735 million for 1984, and you compare that with the budget request from the administration of $694 million, and you see that the budget request is $41 million below the low-bound figure, you wonder: Why do the report? Why project spending that is really needed to accomplish the goals and objectives in a report that is ignored when it comes time to submit the budget?

Is there any explanation for that, except to blame it on OMB?

Secretary BLOCK. I think the explanation has to be that we would normally stay between the high and low bound someplace in there. That would be desirable. But because of the budgetary pressures and the kind of deficit that we're all looking at, we looked to cut it even lower than most of us would like to see.

But we feel we can get the job done because the money will be saved primarily in those areas that, as I said, could be postponed till a time when we had more funding available to us.

Senator COCHRAN. So, when it comes time to look at the budget prospects for soil and water conservation, we're not going to be able to pay much attention to this report. I guess we should ignore it when it comes time to decide how much is really going to be needed to accomplish the goals of the program. Perhaps we should pitch it out the window.

But for the other purposes, the report is quite helpful. It can be used in identifying where the needs are, what the needs are, why they exist, and what can be done to address the problems, but when it comes time to say how much is it going to cost, and how we are going to allocate the resources, the report is fairly worthless.

Secretary BLOCK. Well, I think you're only talking about one section of it, and that is the section of the high and low bound. Those are objectives to look at, and I don't think that it's worthless. I just would say that your concern is that we're not spending enough, apparently, and you know, it's a legitimate concern. You just have to weigh the priorities that I talked to Senator Melcher about earlier here today. The decision was made that we could postpone some of this spending in order to try and assist in getting our overall budget into closer balance.

Senator COCHRAN. Well, my conclusion is simply that the Department has been sabotaged somewhere else, by some other agency downtown. There is just so much pie, and they have decided that they have got to make some cuts.

I think agriculture is getting picked on a little bit, not the PIK program type of "picked" on either. Some of our efforts in conser-

vation may not be understood by people in the other parts of the Federal Establishment.

I'm disappointed in the budget request. I think it needs to be more realistic in terms of the needs that have been identified by this report. Congress acted in response to a very critical need in the country when they passed this bill in 1977. It was hard to get the administration to support it. I think President Ford vetoed one bill in 1976, and then it was passed in 1977, to project these needs and identify how much money is required. Now we kind of slough off when it comes to requesting the dollars to fund the programs that we know are needed.

So I'm concerned about it, but I don't think that's your fault. I really don't. I don't think it's the Department's fault. I think it's just the balance of power that we have to deal with. We'll have to work within those problems, but I think the consensus here in the appropriations process, may be to try to add some money back in. I don't think you all would really object to that.

Secretary BLOCK. Well, I think that my main comment on this would be if I may, is that our spending on agricultural commodity programs has gone up $6 billion to $12 billion last year, to $18 billion this year, and it makes it difficult with the kind of growth in spending in agriculture to find where you're going to control this growth in spending.

It can be argued that we chose the wrong place to control it. Everyone has a different opinion. Maybe we should have controlled it in some of the other programs, the commodity loan programs, or the dairy program, or somewhere else. It's become impossible to get a handle on it. This is just an effort to get a handle in one place.

It's a matter of personal opinion whether we grabbed a hold of the right place or not.

Senator COCHRAN. Well, I think the answer is going to depend upon improved economic conditions, not only here in our country, but around the world. We're seeing these decreases in oil prices. I'm optimistic about the outlook for our trading partners being able to buy more of our goods and services the next 2 years than they have been able to buy up to now because of the high priced oil resources that they have had to purchase.

That is an encouraging item, that could lead to reductions in the agricultural spending numbers. These programs that we have under the farm bill aren't designed to really cost the Government a lot of money over the long run.

If market prices are up above target prices, and we see the programs working in that way, then we're going to see those numbers come down. It might be shortsighted to ignore some long-term objectives and needs. Maybe we ought to run over a little bit right now with the anticipation that over the next 2 years the economic condition worldwide is going to improve, ours is going to improve, and so will the farm communities, so that these programs aren't going to have to cost as much as they have the last 2 years.

That maybe is wishful thinking, but I really believe it. I really think that's the outlook.

Mr. Chairman, thanks again for convening the hearings and doing the job you're doing in this area.

Senator JEPSEN. Well, thank you, Mr. Chairman of the Agriculture Appropriations Subcommittee. I think you give some encouragement, and we can take heart from your comments with regard to the need for additional funds. I alluded to and explored just superficially here earlier the fact that possibly the funds didn't match the verbage and the opening statements of this program.

I would like to go back and once again go over the directions given to the Secretary of Agriculture in the RCA Act, which were primarily the following three directions. First, is the appraising on a continual basis, the soil, water and related resources of the Nation. We have got a compiled report that does that.

Second, the Secretary is required to develop and to periodically update a program—I emphasize program for futhering the conservation, protection, and enhancement of these resources. And then, third, the Secretary is required to provide periodic reports.

Now, the second directive, is what I want to explore. This is all meant to be constructive and helpful. It does seem to me, as we have discussed this morning, that for whatever reason, maybe it's because 1980 was the deadline for a program, the act very specifically states to develop a plan slash program. That's taken right from the text, and I was wondering if we haven't shifted some priorities to use your word, to concerns. No specific programs, with dates, were identified. It may be that we are shifting into this general area of concerns because we didn't develop a program.

Let's be more specific. In the area of the final policy and program report, a nondegradation policy is what we want, I believe.

The final report and program do not appear to require a nondegradation policy. If you start out with less than a nondegradation policy, you cannot ascertain what the best course of action is.

For example, under the Forest Service's RPA, that's the comparable forest planning act, the difference between the high- and the low-bound policies is that the high bound funding level reflects the best job that the Forest Service could accomplish with a certain amount of money.

The RCA, the high- and low-bound figures that we've looked at, these charts here, it seems to me are arbitrary numbers picked by OMB and agreed to by the Department.

Is that incorrect?

Secretary BLOCK. No, sir. They were worked on in the study, and they were chosen by the Department. Certainly a great amount of discussion went into it between the Department, OMB, and any others in the administration who had an interest in it.

Senator JEPSEN. But do they in any way truly reflect the cost of implementing a conservation policy?

Secretary BLOCK. They reflect the cost of implementing a program. I would say not the ultimate program, but I would also add the ultimate program is, would be, unacceptably costly.

Senator JEPSEN. Then let us pursue it further. The 1981 RCA states: "Even with the most optimistic outlook, soil erosion after 50 years would still exceed the nondegradation level." In the final report, however, the 1982 report, the first objective is to "develop programs that will lead to nondegradation of the Nation's soil and water resources."

Now my question is, if the most optimistic outlook is not expected to achieve nondegradation in 50 years, how do you expect the scaled down program, proposed in the final report, that is one that loses 100 million a year in buying power under the most favorable circumstances, compared to the 1981 program; how do you expect that to lead to nondegradation? In other words, is this not the program that identifies the end goal?

Secretary BLOCK. Well, it is easy to talk about absolute complete nondegradation, but, knowing the elements that we live with, we cannot control weather—winds, rains. I think it is an unrealistic assumption to assume that you are going to get everything you need to put forth a program or plan, whatever you want to call it. Our program is going to move us in the right direction, on a much more rapid track than we have been before, with the final objective of getting that final goal. We realize you never quite get there; but you can get closer much faster with the right program.

Senator JEPSEN. May I continue to pursue this?

The difference between the methods used to project funding, or the direct comparisons of funding levels between the 1981 preferred program and the final report exist because there are different base years used to project funding. It was constant 1979 dollars versus the nominal 1983 dollars; is that correct so far?

Secretary BLOCK. Yes.

Senator JEPSEN. Now, even the roughest comparison indicates a significant setback in the administration's delivery; for example, low-bound funding begins at $812 million, that is 1979, in preferred programs, page 63 of the report.

Low bound is set at $735 million in 1983 in the final report, page 35.

When adjusted to 1979 dollars, the $735 million in the final report approximates $526 million. Thus, the low bound projected under the final report is nearly $300 million less than the preferred program.

Now, my question following that is: Why was this base year changed? Was it changed to make things look better?

Secretary BLOCK. No, it was not.

Senator JEPSEN. If it was changed, who changed it?

Secretary BLOCK. It was not changed to make things look better. It was because you had extreme inflation during the years 1979 and 1980. There would be a distortion if we continued to use those 1979 dollar figures. So the final chart that appeared in the ultimate report was stated in 1982 dollars, as I recall.

It is true there are differences between the program that was put out for comment and the final selected program, but that is exactly what one would expect to come from a public participation process and the process of getting comments from other Government agencies, including, of course, the Office of Management and Budget, which has the responsibility for trying to predict what resources may be available from the public treasury to deal with not just soil erosion and water conservation problems, but all the other demands on the Federal Treasury.

So I would have to concede, Senator, that the final high bound and low bound was an effort to reflect realistic expectations for the 5-year period covered by the program.

Senator JEPSEN. It really would not serve any of us very effectively to have a pie in the sky program that was never going to become a reality.

Understand, I along with Senator Cochran, we are on your team and we are trying to find out how we can best help.

Let us move onto farmland preservation, the 1981 farm bill provisions in RCA. The 1981 bill provides some program features that are of great interest to conservationists. These include farmland protection policies, especially in the area of conservation programs, matching grants and RC&D programs, among others.

We are concerned that, for the most part, the RCA program and the 1984 budget for RCA programs do not reflect the 1981 law. The question is, Mr. Secretary, would you briefly give your thinking about how the RCA program reflects, or should reflect the provisions of the farm bill regarding the farmland protection policy?

Secretary BLOCK. Yes, sir, we are very concerned about farmland retention. It is a vital issue that we are considering and examining. I compliment you and the Congress and the Agriculture Committee for providing the legislation in the Farmland Protection Policy Act, which gives us some authority to do some things in this area.

We do view farmland protection or retention as an issue, for the most part, separate and apart from the programs we are talking about here today. We feel that that farmland protection is an issue that primarily will be addressed and will rest at the local and State levels.

The Federal Government should, can, and will attempt to provide leadership, but it does not feel that it is our place to dictate to local governments and local communities how to address this issue, whereas, soil and water conservation has traditionally been a national program with a national plan in cooperation with local districts and the States.

We are working now on regulations for the Farmland Protection Policy Act. These regulations will require Federal agencies to weigh their actions before they build projects or before they subsidize building on prime farmland in the United States.

I would tell you, in all honesty, that it has been somewhat time consuming getting these regulations and getting some 12 different agencies to listen to us and try to work with us to try to arrive at some kind of a system whereby we can get this job done, because they are all concerned about protecting their own turf and their own areas of responsibility. So it has not been easy.

Senator JEPSEN. I realize it has not been very easy and there are some other obvious reasons why. You know, the law of November 1981, or, based on the law, the Farmland Protection Policy Act, you are supposed to have in the RCA draft, and there was one in the RCA of 1981 draft, some objectives pertaining to retention of prime farmland; however, the 1982 final program report does not include it.

Mr. CROWELL. It is true that the 1982 final report does not include any effort to deal with prime farmland protection for the reasons the Secretary has just enunciated. The 1981 Farmland Protection Policy Act does not require us to deal with that issue in the context of RCA, Mr. Chairman. One of the problems that we en-

countered when we first assumed office was the necessity for focusing the efforts on developing a program.

All of the inventory data, which was very extensive, was suggestive of a lot of different problems, and prime farmland protection was one problem which did receive considerable attention in the last administration as a problem that perhaps ought to be dealt with in RCA. One of the things that we did very early was to decide that we needed to focus on soil erosion and water conservation and upstream flood damage. We felt that by giving that kind of focus, we would be able to move the RCA program development along much more rapidly. We did not really expect that we would be criticized for not dealing with all of the problems in the agricultural sector, especially since very early in the new administration we did get consideration of a new farm bill which was ultimately enacted. It always had in it from the very beginning a conservation section which dealt with farmland protection, and which, I felt, justified our treating the two separately.

Senator JEPSEN. Well, you do know, I think, that as a result of questions, what are the Department's plans for implementing the Farmland Protection Act, because there has been this feeling that even though the effective date of the act was June 22, 1981, there has not been, at least on the surface, a lot of activity. So there has been a request by a number of Senators that sent me a letter, dated March 8, which states:

> The 1981 farm bill established the Farmland Protection Policy Act * * *

They sent this to me in my capacity as chairman of the subcommittee.

> * * * The Senate Agriculture Committee and the Congress recognized as a priority the need to avoid losses of prime farmland caused by the actions of the Federal Government.
>
> The act requires the Department of Agriculture, in cooperation with other Federal agencies, to develop criteria for identifying the effects of Federal programs on the conversion of farmland to nonagricultural uses. The criteria will then be used to identify Federal programs that could be modified to stem the loss of prime farmland. These efforts will complement those already ongoing on the State and local government level. The act also requires Federal agencies, with the assistance of the Department of Agriculture, to develop proposals for action to bring their programs and activities into conformity with the act.
>
> As of this date, the Department has not implemented the act. The effective date of the act was June 22, 1981.
>
> We know that you share our feeling that the Nation's agricultural lands are vital to the continued preeminence of U.S. agriculture, to the overall health of our economy, and to the strength of our balance of payments position. Therefore, we ask that, as chairman of the Senate Agriculture Subcommittee on Soil and Water Conservation, that you hold a hearing to determine the status of implementation of the Farmland Protection Policy Act.

It is signed by Senators Dixon, Leahy, Boren, and Cranston. So I will be holding on this issue.

Secretary BLOCK. We will be in touch with you, and we are going to be hopeful of getting this resolved and completed in the very near future. Our commitment to farmland, my personal commitment to farmland protection, and the protection and preservation of prime farmland, is an ongoing one of extremely high priority.

Senator JEPSEN. Let me go into the targeting area a bit. Targeting is the concern of Members who represent areas where erosion is not under control and funding may be reduced.

The gradual introduction of targeting to the 5-percent increase each year is designed in part to slowly overcome this concern. Targeting may also raise questions about what constitutes appropriate expense.

Along this line, I have a letter from David Stockman to Vice President George Bush, stating agricultural land protection is not as important as other needs and setting some priorities with regard to soil conservation. I read from his August 30 letter to the Vice President, quoting when he says:

> While protection of agricultural lands is useful the Soil Conservation Service has many projects that provide benefits of more immediate need, such as urban flood protection or domestic water supply.

Then in a letter to me, when I wrote and asked what he meant by all that, he stated again, dated November 12, 1982:

> The Department of Agriculture's flood control projects which are designed primarily to increase land productivity are important; however, other things equal, they are less important than some other projects such as urban flood control.

Does this sound like a commitment to soil conservation by the holder of the purse strings?

Secretary BLOCK. It sounds like he is worried about urban flood control.

Senator JEPSEN. Well, I am just saying that the broader question raised is who is setting the priorities for the future of soil conservation—OMB or USDA through the informed judgment of soil conservation professionals. I think we need to help each other along in this area, and I assure you that this committee, and I speak for the full Agriculture Committee, at least on the Republican side and I know most of the Democrats, intend to try to do some educating and to give you some help.

Can we go on into targeting? Who defines what the monetary level for targeting will be? I think we are going to be stymied somewhat in bringing about some real action as long as we do not have an understanding of funding levels used and proposed in the area of targeting.

I also want to touch on matching grants. These are other questions that will be submitted for the record. As you may well know and appreciate, you have the full support and deep interest of this subcommittee which intends to not only emphasize but to put staff time and effort into developing and bringing about an RCA activity and to identify program goals on a constructive basis, and to work with you and help in the matching grants area.

The final report includes matching grants of soil and water conservation districts, using the authority of title 15 of the Agriculture and Food Act of 1981.

The report states that this is intended to strengthen the conservation partnership with conservation districts and stimulate innovative and intensified action.

However, again, the report is very indefinite regarding numbers and costs. Where we have touched on this, could you review again for me what plans you have to implement the grants program?

Secretary BLOCK. We do not have it in the 1984 budget. Plans have not been determined for 1985. It had been put in the 1983 budget and did not clear Congress.

Do you have anything further to add to that?

Mr. CROWELL. No; that is essentially the story on matching grants, Mr. Chairman.

Secretary BLOCK. We are working on the rules and regulations for those grants, Mr. Chairman; and we still have plans down the road that we think it is a viable part of the program.

Mr. CROWELL. It should be said I think that the fact it did not appear in the 1984 budget is more a reflection or reaction to the congressional omission of funding that program in the 1983 budget after we had requested it. Since we were, as you know, in a very stringent mode to develop that 1984 budget, this was an area that we felt, since Congress had just rejected it, that we could not expect to get the program funded in 1984.

I take great encouragement and great heart from Senator Cochran's remarks, his optimism about how we might be able to reduce some of the Federal outlays that are shown on that chart, entitled "Assistance to Farmers," which is up there on the easel. I think it is pretty clear that if we can reduce some of the outlays for other agricultural programs, which are costing record amounts today, that we can be optimistic about the amounts of money that will be available for Federal conservation programs.

Surely the matching grants program would be one of the first things that ought to be considered for additional funding at that point.

Senator JEPSEN. Your budget in 1983, the budget proposal, included $10 million for matching grants.

Secretary BLOCK. Yes.

Senator JEPSEN. I recognize that this is probably just a starter. For the record, how many grants would you estimate that would allow?

Mr. CROWELL. We had not gotten that far.

Senator JEPSEN. Do you think that may have been part of the problem when Congress rejected the appropriation?

Mr. CROWELL. I really do not. I do not recall.

Senator JEPSEN. Maybe that is what Congress is telling us.

Mr. CROWELL. Frankly, Senator, I suspect that the questions about the grants program were ones that were submitted on the record. And I do not remember discussion about it particularly while I was present during the appropriations hearings in the House and Senate. But if it came out that there was doubt about just how we were going to implement it, that could very well have been, and that reenforces I think, the desirability of getting these regulations out and in place so people can see how we are proposing to make the grants program work, at least in outline form.

Senator JEPSEN. You know, I think since we have a chairman of the Appropriations Subcommittee on Agriculture that is most sympathetic that it would help him to work with us and to identify a little more explicitly some of the goals and work with them on that.

Mr. CROWELL. That would be helpful to us in formulating the 1985 and out year budgets.

Senator JEPSEN. Do you have anything further, Mr. Secretary? We have a lot of questions and there will be some submitted for the record. I would also like the record to show that Senator Hud-

dleston has a statement and questions that he would like to submit for the record. They will be entered in the record.[1]

Is there anyone else? Mr. Secretary, do you have anything final?

Secretary BLOCK. I would like to close by complimenting you, Mr. Chairman, and the interest that the members of this committee have in this subject. It is of extremely high priority to me personally to be interested in soil and water conservation as a farmer and as a State director of agriculture, and the efforts that you make in putting the spotlight on this issue and concerns are helpful in maintaining and continuing this revolution that I feel is taking place in agriculture, in soil and water conservation. With these kinds of efforts, we can keep the ball rolling.

Senator JEPSEN. There is a picture in a recent publication with regard to conservation that is a picture of my home family farm, which is an example of conservation at work. It was nonsolicited. I had to do a double take to check it to ascertain if that really was it, but it was. So we are very much interested in this, not only on a national overall policy program basis but on a more fine line basis and we both have good sources to get accurate information from the real world of conservation. I think this will be beneficial to you, to this committee, and this country.

Your staff has done a fine job of addressing the issue, bringing the report and the plans and the program to completion. Whether we semantically get into whether this is a program or a plan, or whether we have priorities, we have moved off the dime; and even though it took a couple of years to do it, it was done. I thank you for that and look forward to putting the throttles all the way forward. We are going to be holding hearings around the country and very well may both ask and invite the Department to attend those hearings.

Any other comments?

I thank you very much. This hearing is adjourned.

[Whereupon, at 12 p.m., the subcommittee adjourned, subject to call of the Chair.]

[Subsequent to the hearing several Senators submitted written questions to Secretary Block. The questions and answers thereto follow:]

[Written questions from Senator Jepsen and the Secretary's answers thereto:]

ISSUE: OBJECTIVE NO. 2—WATER CONSERVATION, INCREASE ON-FARM AND OFF-FARM IRRIGATION EFFICIENCIES

Statement. Water deficits are growing, especially in arid areas. In a triangle between Texas, Colorado, and California, water requirements exceed supplies more than half the time in average years. Irrigation efficiency which averages 78 percent for delivery to the farm and 53 percent for use on the farm, is one source of this problem. A second is excessive withdrawal of ground water: in some areas ground water levels are falling 7 feet per year.

Question. How is USDA handling this?

Answer. The Soil Conservation Service (SCS) and the Agricultural Stabilization and Conservation Service (ASCS) are targeting additional technical and financial assistance into water-short areas.

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[1] See p. 54 for the prepared statement of Senator Huddleston and p. 46 for questions from Senator Huddleston and Department's answers thereto.

From a technical standpoint, SCS is assisting irrigation operators in applying better water management techniques that reduce the amount of water used. This includes evaluating irrigation systems and management practices and planning for their improvement, as well as aid in installation, operation, and maintenance. SCS works directly with individual landowners and operators in providing these services.

ISSUE: OBJECTIVE NO. 3—MAKE MORE EFFECTIVE USE OF WATER, INCLUDING SOIL MOISTURE

Question 1. Could you explain this objective?

Answer 1. In the semiarid regions of the county, agricultural production depends heavily on water storage and transportation systems. In arid regions, production of many crops depends almost totally on irrigation. Even in areas where rainfall is more plentiful, moisture deficiencies during the growing season are common. More water can be made available for agricultural production by better soil management for the retention of soil moisture, by control of unwanted vegetation, and by improvement of irrigation efficiency.

Question 2. What problem led to this?

Answer 2. U.S. agricultural production depends on adequate supplies of water. Irrigated crops already account for about a fourth of the total value of our crop production. In arid and semiarid areas, increasing demands for water for nonagricultural uses limit the amount of water available for agriculture. Even in areas where rainfall is more plentiful, short periods of dry weather lead to reduced yields on about half of the cropland. Problems of inadequate water supply have been identified in all 21 water resources regions of the United States.

Ground water overdraft is occurring in about a third of the Nation's hydrologic regions. The most serious problems are in the High Plains area that extends from Texas to Nebraska. For example, the Ogallala aquifer, which now supplies water to 5.9 million acres in Texas, could supply water to 5.2 million acres by the year 2000 if an effective water conservation program is implemented. If not, the figure drops to 3.2 million acres.

Irrigation accounts for about 80 percent of all water consumed, and for about 70 percent of all ground water withdrawn in the United States. Irrigation provides the greatest opportunity for significant water conservation. Measures which provide greater efficiency for the delivery and application of water and improved irrigation water management, offer substantial opportunities for improving the efficiency and effectiveness of water use for agricultural production. Many producers will not be able to continue without technical and financial assistance to install water conservation measures and improve irrigation water management.

Question 3. What will USDA do about it?

Answer 3. USDA intends to target technical and financial assistance to geographic areas that are water-short and that are most vulnerable to seasonal droughts. USDA will assist landowners and operators improve water management by using forecasts of water-supply availability, irrigation scheduling, developing farm or ranch conservation plans that balance agricultural activity with the water and land resource base, adapting drought-tolerant plants, and using the most efficient irrigation systems; and take advantage of available moisture by increasing the soil moisture holding capacity with conservation systems that improve soil tilth.

USDA will help local units of government and districts to plan and implement water supply and water-saving projects. The Wellton-Mohawk project in Arizona is an example of how we work with irrigators to improve water use efficiencies.

USDA will work with States to plan and implement conservation measures for optimizing the use of limited water supplies. States can use the information as a basis for adopting administrative procedures or modifying law to promote water conservation.

Question 4. Why do we specify here that we will accomplish this "through methods that are environmentally and economically defensible?"

Answer 4. Society demands that we use methods that are economically and environmentally defensible. This is reflected in the "Economic and Environmental Guidelines for Water and Related Land Resources Implementation Studies," which have been adopted by this Administration and take effect on July 8, 1983.

There are significant environmental and economic consequences of these actions, some intended and some unintended. There is a need to minimize adverse impacts such as losses of wetlands and wildlife habitat associated with improved irrigation efficiencies. There is also a need to maximize net economic benefits. This is especially important in view of the need to improve the Nation's economy. The use of least

cost methods to achieve the water conservation objectives helps assure that the greatest net benefits will be realized and that limited funds are used wisely.

ISSUE: OBJECTIVE NO. 4—REDUCE FLOOD DAMAGES ON AGRICULTURAL LANDS AND IN RURAL COMMUNITIES

Question. Is this objective compatible with the proposed 1984 budget for small watershed projects? Please elaborate.

Answer. In the budget for fiscal year 1984 sent to Congress in January, it was necessary for the administration to request less funding for small watershed projects due to the austere measures required in this budget and the need to give greater emphasis to our top national conservation program priority, which is to reduce excessive soil erosion on crop, range, pasture, and forest lands. The overall budget request for conservation was reduced to help control budget deficits, and improve the Nation's economy. The budget request for small watershed projects was further reduced so that technical and financial assistance funds for erosion control could be held at a higher level.

The impact of reduced funding for small watershed projects will be minimized by redirecting the program so that a larger share of available funds is directed toward reducing flood damages on agricultural lands and in rural communities. Lower priority objectives, such as recreation and fish and wildlife developments, will receive a reduced share of watershed project funding so that flood damage reduction for agriculture and rural communities may have an increased share.

We will also make more effective use of available funds for reducing flood damages by targeting projecting project areas which have the most severe flooding problems. Targeting assistance will increase every year between now and fiscal year 1987. It is designed to accelerate conservation treatment in areas that have the most critical and persistent water problems.

ISSUE: OBJECTIVE NO. 5—IMPROVE RANGELAND

Question. Will this involve something new? Some program changes? Some personnel changes?

Answer. This will involve an emphasis on reduction of erosion in areas identified by the Appraisal where it is a critical problem adversely affecting the long-term productive capacity of rangeland. It will also involve an emphasis on maintenance of this fragile resource. We do not anticipate personnel changes as a result of this objective, just a shift in emphasis of assistance.

ISSUE: BUDGET/FUNDING LEVELS

Question 1. How will lower funding affect the Department's capability to provide conservation?

Answer 1. We are taking a number of actions which we believe will maintain and, in some cases increase, our capability to provide conservation even during these times of constrained Federal budgets.

The National Program for Soil and Water Conservation establishes clear national priorities for addressing soil and water problems. The highest RCA priority is reducing soil erosion to maintain the productive capacity of agricultural land. Even at the constrained funding levels proposed in the 1984 budget, the SCS technical assistance to geographic areas with critical erosion and water conservation problems is being more than doubled. Targeted activities will cover part or all of about 800 counties in 44 States in fiscal year 1984. As the accelerated assistance comes on line, our programs will accomplish more at the same level of expenditures. In addition to targeting, we are also reallocating base program funds among the States on the basis of existing resource conditions to better focus program efforts on the higher priority conservation needs. We are also emphasizing cost-effective conservation measures that result in quicker returns to the operator. These actions along with improved coordination among all the USDA agencies with conservation responsibilities will enable us to be more effective than we have been in getting the job done.

Lower overall funding levels result primarily from reductions in the cost-sharing and financial assistance program areas. These are areas that are most flexibile in being able to delay work and absorb large decreases, at least on a temporary basis, without the permanent adverse impact on the program delivery system or on the resource base that major cuts in other conservation programs would have.

Question 2. If it is to be restored, what programs should receive higher levels of funding?

Answer 2. The Administration's position is that the funding level for each conservation program in the budget is set at the right level for maximum effectiveness given the total funds available for conservation at this time.

Question 3. Should budgetary proposals be used to implement actions recommended in the RCA document?

Answer 3. Some of the features of the National Soil and Water Conservation Program have already been implemented through budgetary proposals. Targeting accelerated conservation technical assistance to geographic areas with critical erosion or water conservation problems was initiated in fiscal year 1981 with increased appropriations received for SCS's Conservation Operations Program. Small increases to expand targeting have been included in both the fiscal year 1983 and 1984 budget requests. The fiscal year 1983 appropriation included additional funds to begin special studies and pilot projects to test new conservation strategies.

Many features of the Program can be implemented without the need for additional funds or new legislative authorities. All the conservation agencies of USDA are continuing to sharpen the focus of ongoing program operations to provide additional emphasis to the high priority areas to erosion control, water conservation, and the reduction of upstream flooding. Increased emphasis on conservation tillage and other cost efficient measures are being and will continue to be incorporated into the full range of conservation program activities.

Budget proposals for those unfunded features of the RCA such as the Grants Program have to be considered within the overall national fiscal policy and economic context of each year as a part of the traditional budget and appropriations process.

Question 4. Do you see these elements of the RCA Program being unfunded or underfunded as long as the budget deficits remain at these high levels?

Answer 4. The need to reduce Federal budget deficits is the overriding concern if economic recovery is to be achieved. The structure of the Federal budget is such that discretionary programs, including soil and water conservation programs, must bear a large share of the burden in reducing Federal spending. Despite this fact, the conservation budget proposed by the Administration is only 6 percent below the RCA low-bound funding level which reflects the high priority placed on these programs. It is unlikely that there will be room in the budget for significant increases in funding for these programs in the near future. However, the final outcome is dependent on the priorities reflected in each year's appropriations as they are considered and approved.

Question 5. Can we plan on their being funded at a suitable level in 1985?

Answer 5. Specific funding proposals for 1985 will be developed and considered in relation to competing program needs within USDA and for the Federal Government as a whole, and also in consideration of overall Federal fiscal policy constraints. Based on this kind of an analysis, funding for conservation programs will be set at the maximum level which can be justified and, in the aggregate, permit the most effective use of funds that can be made available.

Question 6. If not, aren't we saying that we will not have these RCA programs in the foreseeable future?

Answer 6. We are not saying that at all. In fact, many elements of the RCA Program, such as targeting, have already been implemented. Other features of the program are being implemented as a part of our ongoing programs and to the fullest extent possible within available funding levels. In fact, the only major feature of the RCA that is not currently being implemented is the matching grants provision. We are in the process of developing the rules and regulations for a matching grants program to be initiated in future years when the Federal budget is less constrained. In the meantime, we believe that significant progress can be made through improving the effectiveness of ongoing programs. The RCA document provides a blueprint to follow in directing our efforts to achieve the most conservation possible within any given funding level.

Question 7. If we allow budget considerations to "wag the dog" in this way, aren't we really nullifying the whole RCA Program? Isn't the whole RCA effort basically a waste under these circumstances?

Answer 7. We believe the RCA process has been valuable in many ways and will have a positive affect on the total conservation effort aside from budgetary considerations. We now have the best data that has ever been available on the status and condition of soil and water resources on nonfederal lands in the Nation. The availability of this data allows us to better focus Federal program efforts to areas where the problems are and thus to increase program effectiveness in the long run. The identification of national priorities as a part of the RCA process has given us a basis to improve both the direction and coordination of all USDA conservation programs. This also should increase our overall effectiveness in addressing the resource prob-

lems that we are now facing. In fact, this kind of a focusing process becomes even more essential in times of constrained budgets when we must get the most out of every dollar spent.

One of the most important benefits of the RCA process is the increased public awareness of soil and water resource problems and the need for conservation. Without strong public support for this effort, the effectiveness of Federal programs would be limited at any funding level. The primary impetus for conservation work has traditionally originated at the State and local levels with support from the Federal Government in the form of technical and financial assistance incentives. The RCA process has helped to strengthen this partnership.

We see the actions USDA is currently proposing as simply a first step towards the realization of a nondegradation condition. Achievement of full nondegradation will require time and money. The RCA effort will make the best possible use of the funds that can be justified under current budget constraints. Then when the economy improves, both the public and the private sector will be in a better position to build upon and expand the total conservation effort.

Question 8. Of the whole RCA effort and the RCA Program, basically, all we have remaining then is a beginning of targeting by SCS alone?

Answer 8. The Department is now in the process of and will continue to implement the National Soil and Water Conservation Program within the proposed funding levels. Most of the features of the RCA Program, including targeting, can be achieved through redirecting ongoing USDA programs to the priority areas identified in the program document and through improved program management. The only major element of the program that is being delayed is implementation of the matching grants provision. The Department is continuing to consider ways in which such a program might be designed and operated in the expectations that it will be possible to provide financing in future budgets.

ISSUE: FARMLAND PROTECTION

Question 1. Has the Department performed any studies to determine the anticipated loss in prime farmland since the National Agricultural Lands Study (NALS)?

Answer 1. The National Resources Inventory preliminary data on land use changes for the period 1977 through 1982 will be released in September for public use. The availability of this data will make possible state-by-state analyses of quantities of prime farmland and analyses of trends on the basis of similar data collected during 1967 and 1977. No other studies have been undertaken by USDA for the purpose of calculating losses of prime farmland.

Question 2. What is the difference in cost effectiveness in reducing the loss of prime farmland which is least erosive and forcing cropland to more marginal lands with increasing erosion hazard and water shortage problems?

Answer 2. Prime farmland, by definition, is the land that is best suited for production of crops. It is relatively flat, the soil is deep and has sufficient water-holding capacity to produce crops in normal years, and erosion of the soil can be controlled with good management practices or with minimal investments in conservation structures or measures. Prime farmland is that land on which good managers can produce commodities at the least possible economic cost and with the least possible degradation of the resource base. Production on any other land will cost more, and the more marginal the land, the more the cost. Steeper slopes than are found on prime farmland will require significant investments in soil erosion control structures, such as terraces or other measures, or the soil will be eroded until production declines. Moving production onto soils defined as fragile will result in higher production costs as the soil blows away. In addition, the windborn soil will pose health hazards for people with respiratory problems. In some areas, adjacent permanent pastures have been covered by blowing soil from fragile areas that were cropped. The costs of cleanup, of bearing the health hazards, and of reestablishing farming systems buried by blowing soil are never borne by those who crop fragile soils. They are borne by those who are downwind from the location of such areas when they are cropped. Cropping on land that requires irrigation increases the costs of production significantly. How much costs are increased is dependent on several factors including the availability and source of water and the kind of irrigation system used to distribute it. Pumping from deep wells is more costly then surface irrigation from a flowing river. Farms in some areas where water is in short supply are finding it necessary to pump underground water from deeper depths thus increasing their irrigation costs. In other water-short areas, the salinity of the aquifer or of the surface supply is increasing. In any area where underground water is being used at a rate that exceeds the aquifer's recharge capacity, production costs will eventually

force units out of business. Reducing the loss of prime farmland will help to hold down the average costs of production of food and fiber commodities produced nationally. Whether or not crop production is the most cost-effective use of this land, given all society's users for land, is commonly determined by the existing economic system, even though it is generally agreed that the market price does not necessarily reflect the full long-term costs of those transfers.

Question 3. Are the other Federal agencies enthusiastic about cooperating with you in implementing the Act?

Answer 3. On August 12, 1982, USDA sent draft criteria to these Departments: Commerce, Energy, Housing and Urban Development, Transportation, Interior, and Army. We also transmitted the criteria to the Postal Service, the Interstate Commerce Commission, the General Services Administration, the Tennessee Valley Authority, the Environmental Protection Agency, and the Veterans Administration. We worked with these agencies over the past several months, not only receiving their written comments but also consulting with them in numerous meetings. We found that these agencies genuinely want to weigh the impacts of their projects on farmland conversion. They want to cooperate with State and local policy on farmland conversion. They want specific assistance and guidance from our Department. We did, of course, go through quite a process of reworking the drafts to achieve consensus on ways of carrying out our shared aims.

The mutual objective is to implement the Farmland Protection Policy Act as provided by the 97th Congress, while at the same time avoiding an undue burden of paperwork for either Federal agenices or the applicants for assistance under Federal programs.

Questions 4 and 5. Does the omission of farmland protection from the Soil and Water Resources Conservation Act (RCA) mean that your field personnel (the Soil Conservation Service (SCS), for example) could not provide technical assitance to local governments for farmland retention purposes? Dropping it from the list of RCA objectives seems to prevent its consideration as a local conservation objective. Is this the intention?

Answers 4 and 5. The fact that farmland protection is not included in the current preferred program developed under provisions of the RCA does not prohibit field personnel in SCS or any other agency from providing technical or other assistance to local governments for purposes of retaining farmland. Farmland retention remains a long-time objective of USDA. It is not the intention of the Department to prevent its consideration as a local conservation objective. In fact, the Department is encouraging its consideration. The priorities contained in the preferred program will dominate USDA efforts and funding for the next 5 years. The priorities in the preferred program are those that will address problems considered most important to address with the Federal funds that can be made available at this time. At the same time, the need for flexibility in different regions of the country and in different states and localities is recognized. USDA will continue to provide assistance to state and local governments in their attack on other problems including farmland protection, and the Department will meet its responsibilities under the Farmland Protection Policy Act. The nature of assistance to state and local governments is discussed in the response to the next question.

Question 6. Specifically, how do you visualize USDA participation in farmland protection at the local level?

Answer 6. USDA agencies at the local level will work with local governing officials to (1) assist them in their development of policies and programs for preventing the unnecessary conversion of agricultural land to nonagricultural uses; (2) encourage local governments to delineate urban-growth patterns that will make maximum practicable use of previous investments in existing facilities such as buildings, sewer and water systems, irrigation systems, streets and roads, schools, public transportation systems, soil conservation measures, and utilities; and (3) assist states and local units of government in resolving disputes with Federal agencies where proposed program actions that would convert farmland to nonagricultural uses are at issue. The Soil Conservation Service has been delegated national leadership responsibilities and will provide, through its field offices, the following kinds of assistance to local governments and landholders:

1. Encourage state and local government efforts to designate farmlands of statewide and local importance. Make available for public use, in SCS state, area, and field offices, lists of soils, and their mapped locations, meeting any of the four definitions of farmland contained in 7 CFR 657.5.

2. Make available to units of government and landholders needed soils information such as that contained in Important Farmland Maps and other maps.

3. Determine, at the request of developers, local or state governments, or Federal agencies, whether the locations for proposed program actions are within any of the definitions of farmland established in the Act.

4. Make available information and provide technical assistance needed by states, units of local government, and nonprofit organizations which will encourage their efforts to develop and implement farmland protection policies or programs.

5. Assist state and local governments in developing their Agricultural Land Evaluation and Site Assessment Systems, known as LESA systems, to provide a defendable, rational method to evaluate their agricultural lands and evaluate specific sites for retention or conversion to nonagricultural uses.

6. At the request of state or local governments or Federal agencies, review proposed program actions that would convert farmland to nonagricultural uses and advise the requesting officials of whether or not, in the SCS employee's opinion, the proposed action meets the Farmland Protection Policy Act criteria for converting such farmland.

7. At their request, assist state or local governments in dealing with Federal agencies where proposed conversions of farmland to nonagricultural uses are at issue.

In addition, the Farmers Home Administration will continue implementing the 2-percent interest rate differential (increase) for developments on farmland, and Cooperative Extension Service will provide information and educational materials to governing officials and landholders. The State Food and Agriculture Councils are responsible for coordinating any USDA interagency activities that might be required.

ISSUE: MATCHING GRANTS

Question 1. How will the grants programs operate in relation to targeting? Will grants be a part of targeting funds?

Answer 1. It is currently proposed that the Department would determine each year the amount of grant funds (from 50 to 100 percent) to be spent in nationally designated or locally delineated critical resource problem areas for national objectives to be designated by the Secretary. The remaining funds, if any, could be used for any of the objectives specifically mentioned in Subtitle D, Title XV, of the Agriculture and Food Act of 1981.

Question 2. Do you expect to make matching grants only to districts in target areas?

Answer 2. It is expected that initially and at low funding levels grants would be restricted to districts in critical resource problem areas, either nationally designated or locally delineated. Those districts within the critical resource problem areas which have been targeted for accelerated conservation assistance would be eligible for grants but no more so than other districts in the critical resource problem areas. Later, or as program funding levels increase, only 50 percent of the grant funds would be restricted to critical resource problem areas. However, at the State government's discretion, the other 50 percent, or part of it, could also go into critical resource problem areas.

Question 3. How do you visualize this working: as a single year arrangement with each district, or as a multiple year arrangement as long as there is a need for local matching funds?

Answer 3. Applications are expected to be for durations which exceed 1 year. These multiple year duration applications would be approved subject to annual appropriations.

Question 4. How many districts would probably be involved: In any 1 year? Over the life of the program?

Answer 4. About 2,900 districts in 51 states are potentially eligible to participate in the matching grants program. Assuming a modest $10 million initial year funding level, about 375 districts would be eligible to participate. Eventually, every district is expected to participate in the program.

Question 5. What is expected to be the peak annual funding requirement?

Answer 5. It's too early to predict any future annual funding level. We need to have some experience with the program first.

Question 6. Will grant funds be limited to technical assistance or financial assistance, or will their use be tailored to the needs and plan of the individual district?

Answer 6. Initially, grants are expected to be awarded to conservation districts for technical assistance only. As experience is gained and success can be demonstrated, consideration will be given to awarding grants for other than technical assistance.

Question 7. Will USDA have some "say" in how individual districts use the grants funds, or will the districts have independent control?

Answer 7. The district's application will spell out its objectives and plans for use of the grant funds. The district will be required to report progress on the effectiveness of the grant funds as a condition for continued participation in the program.

Question 8. Do you foresee that matching grants will one day render unnecessary the SCS and ASCS assistance to districts?

Answer. 8. Section 1514(a), Subtitle D, Title XV, PL 97-98 specifically states that matching grants are to be used to augment, not replace other technical and financial programs of the Department.

Question 9. The final report discusses pilot projects as part of the conservation program. Will this be a part of the targeting effort? What pilot projects are being considered thus far?

Answer 9. Pilot projects will not necessarily be conducted in targeted areas. Pilot project areas will be selected on the basis of the existence of a priority resource problem, a commitment on the part of the local agencies involved in the project, and other factors. The results of the project, however, should demonstrate the effectiveness of the technique or incentive tested in reducing the severity of priority problems.

In consultation with other USDA agencies, the Soil Conservation Service has developed guidelines for a land conversion pilot project. This project will test the feasibility of converting severely eroding cropland (Class IV, VI, and VII) to less erosive uses as an alternative to traditional erosion-control practices that do not involve changes in land use. In return for cost sharing on the conversion to trees or permanent cover crop and the equivalent of one year's average land rent, the farmer enters into a long-term conservation easement (10 years). The cost is estimated at between $125 and $150 per acre over the life of the easement. The selection criteria for participants ensure that the worst problems will be treated first. Other expected advantages include a much lower cost per acre treated, reduction in commodity surpluses, increases in wood supply, and improved targeting of cost-share funds.

While the easements will be for 10 years, participation in the pilot projects will be limited to 3 years or less in the selected counties. The maximum cost sharing in any one county will be limited to $500,000 for the 3-year period. Pilot projects for Alabama, Idaho, and South Dakota are now under consideration. The total cost is estimated at not more than $1.5 million.

Other approaches under consideration for testing include bonus incentives ("Green Ticket") and cross-compliance between commodity and conservation programs.

ISSUE: TARGETING /BASE LEVEL ASSISTANCE

Question 1. Has USDA made some kind of state-by-state analysis to be certain that funds and personnel will be sufficient in nontargeted districts to provide a functional program in each?

Answer 1. The Soil Conservation Service (SCS) has used the 1977 National Resources Inventory Data on a State-by-State basis to develop a concept of how Conservation Technical Assistance (CTA) funds should be allocated to each State. SCS State conservationists within each State are taking a similar look at how funds should be distributed among the counties and conservation districts within each State. While this analysis provides a rational basis for future fund distribution, it can not guarantee that all conservation districts will have sufficient funds and personnel. Any system that is used to distribute CTA funds must consider not only the funds available, but the objectives to be accomplished and a time frame for accomplishing them. Not all conservation district objectives or time frames will match with our national objectives and available funds.

Question 2. What insurance do I have that the nontargeted counties in Iowa will still have an active soil conservation program?

Answer 2. It is likely that the nontargeted counties in Iowa will continue to have an active soil conservation program at current budget levels. Generally the conservation technical assistance funds allotted to nontargeted counties will decrease by 5 percent per year through fiscal year 1987 if appropriations stay level.

Question 3. Do you know how many districts in Iowa probably will be without an SCS office?

Answer 3. No, I do not. The Soil Conservation Service (SCS) State Conservationist for Iowa will make that decision based on total available funds and resource need priorities.

Question 4. Is it reasonable to conclude that proposed targeting of 25 percent of certain budget items was a management decision, rather than the result of a rigorous analysis of the needs in targeted and nontargeted districts?

Answer 4. A rather detailed analysis of resource problems and needs was made. The analysis indicated that the resource problems were not evenly distributed, especially problems of cropland erosion, water use and supply, and upstream flooding. As a result, we chose a 25 percent level of targeting as a compromise between complete targeting and no targeting.

Question 5. Am I correct in assuming that an adequate "base-level program" with a good "targeting program" might require some different funding split, different from the 25 percent-75 percent split?

Answer 5. Recognizing that the 25 percent targeting 75 percent base program split is a management decision, we believe this is a workable split nationally. This is not to say that this is the ideal division of resources for each State or group of conservation districts. At a given funding level, some States will find their total resources increasing because of additional targeting funds and base program funds. Other States will increase only because of additional targeting funds. Still other States will experience a total decrease in funds even through they are receiving some targeted funds.

We are convinced that the 25 percent targeting 75 percent base program split will achieve at least a 13 percent increase in the total USDA resources directed toward erosion control, water conservation, and upstream flood damage reduction by 1987.

Question 6. What plans are available to address conservation needs if export markets improve and create a greater demand on the soil resource base?

Answer 6. The redirection provided for in the National Program for Soil and Water Conservation will ultimately shift more of USDA conservation program resources to the major crop producing areas of the country. Therefore, assuming adequate appropriation levels are available, we should be able to meet the increased demand on the resource base.

Question 7. What criteria and procedures will be used in designating critical resource problem areas for targeting additional emphasis by USDA?

Answer 7. The selection of targeted geographic areas will be based on the following general factors and criteria:

Severity and extent of the problem; the cost-effectiveness of proposed solutions and degree of success to be achieved; and local interest and financial support for the proposed targeted activities.

Specific criteria used for the selection of targeted erosion control areas will include: Gross erosion rates; impact on productivity; and offsite damage.

Criteria for the selection of targeted water conservation areas will include: Degree of salinity; water supply shortage; and average number of water-short months.

Criteria for the selection of targeted flood damage reduction will include: Total average annual flood damages; flood damage per acre of cropland; average damage per square mile; and average damage per capita.

Proposals for targeted areas will be developed at the field level by USDA officials in cooperation with conservation districts and others. Selection of targeting proposals will be made at the national level by members of the appropriate conservation program agencies.

ISSUE: PAYMENT-IN-KIND (PIK)/CONSERVATION

Statement. This year the Secretary is proposing to set aside acres under the PIK program.

The U.S.D.A. fact sheet in PIK distributed on January 26, 1983, states:

"PIK would apply sound conservation program to 23 million acres, or more land than under the previously announced production control programs for wheat, grains, and cotton."

If, for example, we take the information provided on page 10 of the Final Report, Table 2, we see annual erosion rates on cropland. If the amount of land that erodes at greater than 15 tons per acre per year (Column 1) is 24.4 million acres.)

The total sheet and rill erosion rate on this land, the amount of soil lost, is 831.3 million tons per year.

If we were able to locate these acres and retire them from crop use, we could save about 12 times the amount of soil that would be saved under the current R.C.A. program this year.

This indicates how far current conservation programs are off the mark.

Question 1. Why didn't the Department integrate a PIK conservation program?

Answer 1. The PIK program contains requirements that, as a minimum, acres diverted from production be protected from wind and water erosion during the period of time that they are diverted. Such practices as temporary vegetative cover and crop residue management are typically used to meet those minimum requirements

on lands where the threat of erosion is high. Producers may go beyond the minimum requirements by applying enduring conservation practices such as grassed waterways, diversions, and other measures that provide for a complete conservation system. In those instances, USDA cost sharing may be provided to the extent that funds are available.

However, because of the tremendous response to PIK, there now exists an unparalleled opportunity to accelerate the application of conservation practices, particularly the more enduring practices. The opportunity exceeds our financial capacity under present cost-sharing programs. As a result, we are now considering alternative ways to encourage enduring practice application while the opportunity is available to us and the farmers participating in the PIK program.

Question 2. How will PIK work with respect to conservation? How could it be improved?

Answer 2. The timeliness and extent of PIK can be used to enhance the farmer's willingness to apply conservation treatment on the acreage removed from production. We believe this is one of the many positive aspects of the program and believe it provides an opportunity to further reduce erosion on our agricultural lands. At present, the program requires participants to devote these diverted acres to a conservation use or cover that will provide temporary but adequate erosion control. On steeper, and generally more erosive cropland additional enduring practices may be needed.

PIK could be improved by providing incentives for those participants who apply a complete and enduring erosion control system on all conservation use acreage with an erosion problem. Such incentives could be in terms of surplus commodities and/or cash. This means is presently being explored.

Question 3. Will the PIK program provide for conservation for only a single year, or can some of the conservation values it initiates be retained in future years?

Answer 3. The Department will encourage farmers to install enduring conservation measures on their diverted acres that will have conservation values for many years. However, since the requirement is to protect the land from erosion only while it is diverted from production, we do not know how many acres will be protected with enduring practices. The cost of installing permanent practices such as terraces and waterways will be prohibitive for many farmers without additional financial incentives. At present, we are exploring alternative means of providing extra incentives for installing enduring conservation measures by reducing the financial burden on the farmer.

Questions 4 and 5. One of the management improvement proposals of RCA is "increase consistency between USDA programs and conservation objectives." Wouldn't you consider the PIK program to be of those that should be consistent with the conservation objectives?

Answers 4 and 5. We believe the PIK program provides for consistency with the Department's conservation objectives. By requiring participants in PIK to devote the diverted acreage to an approved conservation use or cover, erosion on agricultural land can be reduced substantially during the period the land is diverted from production.

Question 6. Why weren't the criteria for PIK more selective in picking the erosion-prone areas?

Answer 6. The primary objective of PIK is to reduce surpluses. In order to accomplish this objective, it is necessary to idle highly productive land. Selection of only critical erosion areas, which may be less productive, would not have as significant an impact on reducing the production of wheat, feed grains, upland cotton and rice. In addition, the program is voluntary in that the producer selects the land that is to be removed from production. Requiring that only the "most" erosive land be removed from production would put unnecessary constraints on the program. We anticipate, however, that farmers will be removing from production their most erosive land.

ISSUE: CROSS-COMPLIANCE BETWEEN USDA PROGRAMS

Question 1. The RCA report proposes some cross-compliance in connection with certain FmHA loans. Were other possible cross-compliance possibilities examined in RCA?

Answer 1. Yes. USDA considered both voluntary and required forms of cross-compliance in developing the National Conservation program but decided not to proceed with either form, except for the FmHA loan requirements, at this time. Voluntary cross-compliance would allow for USDA to offer increased benefits from specified programs to land owners who conformed to "acceptable" resource management. Re-

quired cross-compliance would mean that "acceptable" resource management would be a precondition for eligibility in specified USDA programs.

We still lack the precise data we need in USDA to connect the farmland in certain commodity programs with the soil and water resource problems we think are critical, and to decide whether cross-compliance would work on those lands. Furthermore, before we could implement either form of cross-compliance, we would have to establish just what constitutes "acceptable" resource management. USDA has not closed the door on future cross-compliance activities.

Question 2. Do you believe that it is practical to link conservation actions with participation in other agricultural programs?

Answer 2. Yes, within limits. Let us remember that cross-compliance is a red flag to many people, so we at USDA believe ourselves well advised to proceed cautiously on cross-compliance. Nevertheless, our public participation activities have shown that among farmers and ranchers—the people who have to believe in cross-compliance if it is going to work—there is substantial support for cross-compliance or at least the belief that it is fair and effective.

We do not regard cross-compliance as a cure-all for conservation problems. Yet, there are specific cases where we believe that cross-compliance can bring about an improvement in conservation and where the farm community appears ready to accept specific, pinpointed cross-compliance.

This Administration has tried to look at cross-compliance with common sense. We do not believe that imposing a universal cross-compliance requirement on all farmers in USDA programs is the answer. To many farmers are opposed to this, and we aren't even sure that the farmers who would be reached would be the ones we want to reach. But cross-compliance does have a role in those programs where USDA helps farmers acquire land in the first place. And it has a role where the programs themselves are connected to a particular land or water abuse, where local people realize this connection, and where the people are willing to have cross-compliance as one of the tools to fight the problem.

Question 3. As an alternative, are there possibilities for modifying agricultural programs to reward conservation work by a land owner?

Question 4. Would this be a productive possibility for an RCA pilot project?

Answers 3 and 4. The "Green Ticket," a voluntary cross-compliance measure under which farmers who practiced good conservation would receive a bonus, has been under consideration for some time here at USDA. The "Green Ticket" would not only provide bonus payments to farmers under existing commodity programs, it would also be a highly visible symbol of a farmer's commitment to the stewardship of his or her land. The idea is still very much alive and is in fact on the drawing board as a potential pilot project that could be implemented as early as fiscal year 1985, if funding is available.

In addition, the success of the payment-in-kind (PIK) program has caused us to look at the idea of offering surplus grains to farmers who agree to apply enduring conservation practices on land left idle because of participation in that program. So far, our ideas for a "conservation PIK" program are tentative, but we envision its use only in times of large surpluses.

[Written questions from Senator Huddleston and the Secretary's answers thereto:]

ISSUE: BUDGET/FUNDING LEVELS

Question. Mr. Secretary: in looking at funding levels contained in the 1981 Preferred Program and those being suggested in the 1982 Final Program Report, different methods of calculating funding levels appear to have been used. So that the Committee may draw appropriate conclusions with regard to the Federal commitment to conservation, would the Department submit for the record projected funding levels for SCS programs in both nominal and 1979 constant dollars, for the years being spanned in the Final Program Report as well as the 1981 Preferred Program Report? In so doing, I would like to have comparable numbers for both the high and low bounds described in the reports?

Answer. The National Conservation Program report did not project funding levels for individual programs and agencies. The high and low bound levels are intended as general benchmarks between which budget levels for any given year would probably fall. The particular program mix and the overall funding level will be determined each year as a part of the normal budget and appropriations process. We could not, therefore, at this time accurately project the funding levels for SCS programs in future years.

ISSUE: UPSTREAM FLOODING AND WATER CONSERVATION

Statement. Mr. Secretary, under the Soil and Water Resources Conservation Act of 1977, the Department of Agriculture is required to develop and implement conservation programs that give priority to protection of soil resources, conservation of water, and reduction of upstream flood damage. However, the administration budget for 1984 provides no funds for planning or construction of new projects to reduce upstream flood damage.

Question. How will the Department of Agriculture be able to fulfill the requirements of the 1977 legislation with respect to upstream flood damage without any program funding?

Answer. The Department of Agriculture has developed a national conservation program which gives priority to reducing upstream flood damage on agricultural lands and in rural communities. Redirecting conservation activities and targeting are important components of this program. An increased share of funds will be directed toward reducing upsteam flood damages, and we will make more effective use of available funds by targeting assistance to areas which have the most critical and persistent flood problems.

Significant progress toward reducing upsteam flood damages can be made without increased funds for planning and construction of new projects. With the completion of approximately 35 plans, and with 25 new planning starts during fiscal year 1983, we will have 124 watershed projects in various stages of planning. With 20 new construction starts during fiscal year 1983, we will have approximately 560 watershed projects under construction. The level of planning and construction provides ample opportunity for redirecting and targeting the small watershed program toward reducing upstream flood damages.

ISSUE: TARGETING OF RESOURCES

Question. Some parts of the country, southwestern Kentucky in my case, suffer from more severe erosion problems than other areas. That is the basis for targeting—directing resources to areas that suffer chronic and severe erosion. With programs being targeted to areas with the most severe problems, will there be resources available for other areas so that areas that haven't experienced resource problems in the past do not develop a problem?

Answer. The ongoing program or base level assistance program assistance will help those areas that do not presently have severe problems of erosion, water conservation, or flood damage maintain the resource base. By 1987, the base level assistance will be 75 percent of present levels assuming level funding.

ISSUE: BUDGET/FUNDING LEVELS

Question. Mr. Secretary, a major purpose for having a National Soil and Water Conservation Program is to provide a rational method of making budget decisions. However, it is not clear that the Nation's conservation needs were fully considered by the Office of Management and Budget when developing the Administration's budget proposal for fiscal year 1984. To what extent was the Department of Agriculture's Soil and Water Resource Appraisal considered when the 1984 budget was developed?

Answer. The Department of Agriculture's Soil and Water Resource Appraisal was fully considered as the 1984 budget was developed. Many elements of the final Program were also incorporated into the 1984 budget proposals as they were developed. In the process of putting together a budget for USDA and for the entire Federal Government, the needs for conservation programs must be weighed against other competing needs and priorities. In light of the current austere budget situation for the Federal Government and the significant reductions which are proposed for discretionary programs, the Administration has placed a high priority on funding for Soil and Water Conservation Programs which are only 6 percent below the low-bound RCA funding level.

ISSUE: RURAL ABANDONED MINE PROGRAM

Question. Mr. Secretary, the Administration proposes to reduce the allocation of funds from the Department of Interior to the Soil Conservation Service for the Rural Abandoned Mine Program by 16 percent in fiscal year 1984. No new planning or contracts are to be funded. Yet, at the end of fiscal year 1982, there were 291 applications for RAMP assistance in Kentucky that had not been acted on. What is the justification for the termination of the program?

Answer. In accordance with Administration policy and congressional directives, funding to the Soil Conservation Service for this program is being phased out as states assume direct responsibility for project planning and execution. New RAMP type projects may be requested by states and funded through the Secretary of Interior's discretionary fund share portion of the request for state reclamation program grants.

ISSUE: MATCHING GRANTS

Question. Mr. Secretary, at the Administration's request, authorization for a matching grants program was provided in the 1981 Farm Bill. Department officials advised members of this committee that the matching grants proposal was the cornerstone of the Administration's efforts to strengthen the partnership among landowners, local and State governments, and the Federal Government. What progress has been made in implementing this program?

Answer. A proposed rule for the program has been developed by the Soil Conservation Service and will be published for public comment and final rule development when appropriations for implementation are available. Funds to begin implementation of the authority for matching grants were requested in the fiscal year 1983 budget but not appropriated by the Congress. No such request is contained in the fiscal year 1984 budget request.

ISSUE: PAYMENT-IN-KIND (PIK)/CONSERVATION

Question. Mr. Secretary, what is the Administration's position on proposals authorizing payments-in-kind to help offset the cost of conservation practices?

Answer. This Administration has great interest in this concept and is presently analyzing various alternatives that use payments-in-kind to help offset the cost of applying conservation practices as well as reducing surplus commodities. Such a program could be set up only at a time of large surpluses, only with assurances that the United States grain reserve would remain ample and only if Congress provided authorizing legislation.

ISSUE: OBJECTIVES AND PRIORITIES

Mr. Secretary. In the executive summary of the Final Report and the Report on "Changes Made in the 1981 Preferred Program and Reflected in the 1982 Final Program Report," considerable emphasis is focused on "priorities". At the same time, a listing of "objectives" has been established.

In the allocation of funds and development of work plans, will the "objectives" be the basis for allocating federal funds or will priorities be the determining factor? How does the Department propose to weigh and allocate its funds in an effort to meet the established objectives and/or priorities?

Response. Priorities will be the determining factor for allocating federal funds during the next five years. The six objectives are long term and set to maintain and improve resource productivity. The National Program for Soil and Water Conservation calls for allocating 67 percent of USDA's conservation resources to erosion control, water conservation, and upstream flood damage by 1987 as compared to about 54 percent in 1981. This is divided as follows: erosion control 38 percent; water conservation 13 percent; and upstream flood damage reduction 16 percent.

ISSUE: SOIL CONSERVATION QUESTIONS

Question 1. Expanded soil conserving practices are being advocated by the USDA and other governmental agencies through cost sharing, etc., yet the USDA has implemented a farm program which discriminates against the cattle producer in program benefits. This will encourage cattle producers to convert pasture and forages acres to row-crop production. Why does USDA encourage soil conservation as well as discourage it?

Answer 1. USDA, as a part of its National Conservation Program, is evaluating all of its programs for consistency with conservation goals. For example, this year's production adjustment program requires that land removed from production be adequately protected from erosion. We view this as one of the many positive aspects of the program and believe it provides the opportunity to further reduce erosion on our agricultural lands.

A large number of the cattle producers also have cropland and do participate in the farm program. This was evident at the National Cattleman's Association Meeting in January, where high praise was expressed for the 1983 Payment-In-Kind (PIK) program.

USDA also supports Senator Armstrong's Sodbuster Bill, which is cosponsored by you. We believe this Bill will increase the compatibility between our conservation programs and agricultural economic policy. This is especially important at this time when we are strongly encouraging farmers and ranchers to join our programs to reduce production of major commodities.

Question 2. Over the past several years in Iowa and the Midwest many acres with a high degree of slope have been converted to intensive row-crop production. Regardless of tillage practice, some of these acres cannot have a manageable soil loss when row-cropped. What programs are available to promote forage, grass and beef production on these acres?

Answer 2: The Payment-In-Kind (PIK) program requires the land user to place reduced acreage in a conserving use. In addition, USDA is encouraging land users to establish permanent vegetation on these highly erodible acres. USDA is also studying the feasibility of providing commodities to land users for applying enduring type conservation practices. The Agricultural Conservation Program (ACP) is available to cost share the establishment of permanent vegetation. State and local cost-share programs in several States are also available to provide financial assistance on the establishment of permanent vegetation. Many of the Midwest and Northeast States have an aggressive educational/technical program to promote the establishment and use of grass.

Question 3. Are not beef production systems one of the best known methods of soil conservation?

Answer 3. Yes, beef production systems are excellent methods of soil conservation if the systems are properly managed. Without proper management, these systems will not prevent or control erosion.

[Written questions from Senator Hatch and the Secretary's answers thereto:]

Question 1. What process does the department use to determine how and where funds will be targeted?

(a) How closely do you work with state and local government?

(b) Is this program working?

Answer 1. The purpose of targeting is to protect the Nation's agricultural productive capability through increased erosion control and water conservation. Targeting is designed to accelerate conservation treatment in areas that have more critical and persistent erosion and/or water problems. By using the national resources inventories, river basin studies, and other nationally consistent data, USDA has identified broad geographical areas and the types of problems that may qualify areas for targeted assistance.

Proposals that are consistent with broad national criteria are prepared at the state and local levels in consultation with local conservation districts and state conservation agencies and submitted to USDA.

The rationale for selecting targeted areas at the national level in based on:

Severity and extent of the problem.

Effect on agricultural productivity and offsite damages. In some cases, tons of soil loss may be more severe in other areas of the country; but because soils are shallow, even a small amount of soil loss may have more effect on productivity that the larger soil loss.

Expected results. What solutions are available, and do they require increase in technical assistance or cost share, or both?

Local interest and willingness to support the effort. We want to accelerate a local effort rather than initiate the effort.

Selection of the proposed targeted areas is jointly made at the national level by the Agricultural Stabilization and Conservation Service staffs.

We believe that targeting is working. During the first full fiscal year of operation (fiscal year 1982) in the area targeted to critical cropland erosion, we saved an additional 5.8 million tons (80 percent increase) of soil over the base level program. We protected an additional 212 thousand acres (43 percent increase) of land in the targeted areas. In the water conservation targeted area, we saved 153 thousand acre-feet of water which amounted to a 49 percent increase over the base level program.

Question 2. I mentioned in my remarks that the priorities in Utah do not necessarily coincide with the national priorities. How does the Department intend to address this issue?

More specifically, can local governments obtain funding for projects they believe to be a priority, but which do not necessarily meet the national objectives?

Answer 2. The national priorities reflect a commitment by the Department of Agriculture to preserve the productive capacity of the Nation's agricultural lands.

They will contribute substantially to achievement of objectives related to other resource problems.

We recognize that conservation needs vary among the different parts of the Nation. Additional priorities for USDA assistance will be set at the state and local levels from among the following national resource concerns: range, pasture, and forest land improvement; water quality improvement; fish and wildlife habitat improvement; and organic waste management.

Conservation agencies at the local and state levels will thus have this latitude to emphasize certain priorities with the support and cooperation of the Department of Agriculture. USDA agencies will contribute resource information and technical advice to local conservation districts, state conservation agencies, and others and will encourage them to consider national priorities as they assess local and state needs.

Question 3. Do you intend to continue the rural clean water program? If so, is it applicable in Utah and how are you implementing it?

Answer 3. The 1980 (experimental) Rural Clean Water Program has a projected 10-year lifespan; thus it will become inactive after 1990. The funds appropriated have been obligated through the initiation of 21 projects, and no new projects will be added. One of these projects is in Utah and will be completed in 1983. This program is administered by the Agricultural Stabilization and Conservation Service (ASCS).

Question 4. Have you been able to foster and develop a closer relationship with state and local governments? Specifically, what steps contractual or otherwise have been initiated?

(a) Could you give any examples of the success you have had in achieving this goal?

(b) What difficulties are you experiencing in accomplishing this objective?

Answer 4. I have met with the eight agency heads who have responsibility for soil and water conservation programs in the Department. I charged them with overseeing implementation of the National Program for Soil and Water Conservation and reporting to me periodically on progress. Interagency work groups have been established for the eight major program features and a schedule developed. The initial reports of all the work groups are scheduled for completion in May 1983.

The work group for strengthening Federal, state, and local partnerships involves SCS, ASCS, ES, FmHA, and FS. The work group is preparing a strategy to utilize the existing USDA, state, and local organizations to ensure that local problems, needs, opportunities, and priorities are incorporated into state planning and implementation programs.

In turn, the state programs will be used by USDA to update the national program at 5-year intervals to reflect changing national, state, and local priorities.

Because we are still developing a strategy for strengthening USDA relationships with state and local governments, we do not have specific examples of success or difficulty to report at this time.

A program of matching grants to conservation districts for conservation activities is an important element of our strategy to strengthen the relationship between the USDA agencies and state and local governments. In accordance with the authority for a matching grants program in Subtitle D, Title XV, of the Agriculture and Food Act of 1981, SCS is developing a proposed rule to be published for public comment and final rule development. No funds for matching grants have been appropriated and no grants have been made to date.

Question 5. Do you believe the water quality and quantity issues which are of concern to western states have been satisfactorily addressed?

Answer 5. Yes: The National Program for Soil and Water Conservation (NCP) establishes conservation priorities and conservation objectives. The priorities will guide USDA activities for the next 5 years. The USDA is redirecting its soil and water conservation programs toward the NCP priorities. One priority is the conservation of water used in agriculture where water shortages threaten long-term agricultural productivity. USDA will redirect funds to this and other identified priorities over the 5-year period. Because of the relationship between improved irrigation efficiency and improved water quality, this will help address the water quantity issue of western states.

Water quality, water management, and improved irrigation efficiency are established conservation objectives for the National Program. These are addressed by USDA agencies in several ways. First, there are the ongoing "special" programs like the Colorado River Basin Salinity Control Program and the 1980 (experimental) Rural Clean Water Program which address many of the water quality/quantity issues identified. Second, there are the ongoing programs like ASCS's Agricultural

Conservation Program and the Soil Conservation Service's Conservation Operations Program where financial and technical assistance are made available to private landowners.

The National Program also provides a future option for matching grants to states to assist with conservation programs which: (1) Establish objectives; (2) identify critical resource problems; and (3) identify priorities for action to solve specific priority problems.

The grant program is contingent upon the appropriation of funds for this purpose. No funds have been requested for fiscal year 1984.

Thus, it should be apparent that the National Program addresses the water issues of western states but requires state and local officials to justify requests for assistance for water quality, water management, and improved irrigation efficiency where the problem is other than a water-short condition which threatens long-term agricultural productivity. Targeting and redirection orient USDA resources to areas of national interest first but are flexible enough to provide adequate assistance to other "concerns" where the problem is identified and justified.

Question 6. Has adequate investigation and analysis of alternative irrigation techniques regarding their costs and benefits and impact of soil and water conservation been completed?

Answer 6. We have enough information to formulate and evaluate efficient and effective irrigation water conservation plans. The potential for improving the efficiency of irrigation water use and management in the United States has been thoroughly investigated.

The irrigation situation is continually changing. We need to monitor and analyze values and costs of irrigated crop production; shifts in irrigated lands and source of water; new techniques (such as low pressure center pivot and inexpensive drip systems); erosion exacerbated by irrigation; conditions of existing systems; and opportunities for adoption of more efficient irrigation systems. There is certainly an opportunity to learn more about alternative techniques; however, we do have ample information to proceed with confidence that we can develop and implement technically sound plans.

Question 7. Do you believe the current RCA program is workable?

(a) If not, why not?

(b) What modifications do you believe should be made in the RCA program?

Answer 7. I believe that the National Program for Soil and Water Conservation is completely workable and, at this time, do not believe that any modifications should be made in the program.

This program will be our blueprint for the improvement of conservation programs in the Department. We believe that our new Soil and Water Conservation Program will improve the efficiency and effectiveness of USDA programs to conservation natural resources. Our natural resources deteriorate where there is excessive soil erosion, improper or excessive water use, flooding and other such problems. This program will slow that deterioration. At the same time, the program goes hand-in-hand with other aims of this Administration—a market-oriented farm economy, new agricultural markets, expanded agricultural research and technology development, and a larger role for local and state governments.

Our conservation program calls for increased emphasis on the most critical conservation needs. Yet, it reflects the current economic situation. The program is flexible. It allows for successful operation during current economic conditions and as the economy continues to improve. I am enthusiastic about this program and feel that it is the response that we need to address the threats that we face to our soil and water resoureces.

Question 8. Have you begun to take any action on the matching grants program? What kind of grants have been given away to date?

Answer 8. A proposed rule for the program is being developed by SCS to be published for public comment and final rule development. No funds to begin implementation of the authority for matching grants have been appropriated and no grants have been made to date.

[Written question from Senator Leahy and the Secretary's answer thereto:]

ISSUE: FARMLAND PROTECTION

Question. Mr. Secretary, the 1981 preferred soil and water conservation program, announced by the Department of Agriculture, included as a long-term objective the retention of prime and unique farmland. That provision was deleted in the 1982

final program report. Why did the Department of Agriculture drop this particular objective, and what is the status of the Department's efforts to implement the Farmland Protection Policy Act of 1981?

Answer. The retention of farmland is still a long-term objective of the Department's conservation program. It has not been dropped. It is considered, in the current preferred program, to be of less national importance during the next 4 years than problems of erosion control, water conservation, and flood damage reduction. In 1981, 54.3 percent of the Department's conservation spending was allocated to these problems. Under the RCA preferred program, spending for these efforts will rise to about 67 percent in 1987. During the intervening years, between 45.7 percent and 33 percent of the conservation spending will be allocated to meeting farmland retention and other national, regional, state, and local conservation needs.

To implement the Farmland Protection Policy Act of 1981, the Department has drafted a rule, in cooperation with other Federal agencies, that sets forth the criteria required in the Act, defines terms used in the Act, and identifies technical assistance to agencies of state, Federal, and local governments which will be provided by the Department, if requested, subject to staffing and budget limitations. The current draft is being reviewed in the Office of the Secretary and is being prepared for submission to OMB for review there. Current plans call for publishing the proposed rule in the Federal Register for public comment for a period of 60 days. At the end of the comment period, such revisions as are considered justified in the comments will be incorporated into the rule, and it will be published in final form.

The Department's Soil Conservation Service has been delegated general leadership responsibilities for implementing the Act and for providing technical assistance to states and local units of government and nonprofit organizations. As one example of that technical assistance, SCS has developed the Agricultural Land Evaluation and Site Assessment System, known as the LESA system, for use by state and local governments in making rational and defendable decisions regarding retention or conversion to other uses of farmland in their jurisdictions.

SCS is making available, in each of its field offices, a list of the soils that meet the definition of prime farmlands in the Act. In addition, SCS is continuing the production of Important Farmland Maps. The Farmers Home Administration has implemented the required 2-percent interest rate differential (increase) for projects where development will occur on prime farmland.

APPENDIX

STATEMENT OF HON. JESSE HELMS, A U.S. SENATOR FROM NORTH CAROLINA

I commend you, Senator Jepsen, for initiating a discussion of the important issues we face in conserving our nation's soil and water resources.

Secretary Block, thank you for appearing before this subcommittee today. I look forward to receiving your testimony.

I congratulate you, Secretary Block, for the fine job you and the Department of Agriculture have done in responding to the Resource and Conservation Act of 1977.

The first task undertaken by the Department of Agriculture under the RCA was a compiling of an inventory of our Nation's soil and water resources. It is a tremendous job to catalogue this information, however, this data is vital as a basis for assessing the condition of our natural resources and the need for conservation programs. I know that personnel with the Department have walked over many acres of cropland and forest to gather this data. In a country as vast and varied as ours, this task seems almost impossible. I congratulate you on your success with this.

I am aware that there is still much information to be compiled, more resources will be evaluated and inventoried. Soil and water conditions changes over time and this information will be updated. However, an assessment of the condition of our nation's cropland is vital in determining whether conservation programs are effectively attacking erosion and flooding problems.

This brings me to the second component of the RCA plan—an evaluation of current conservation programs. There are 26 different conservation programs now being administered by USDA. Are these programs effectively addressing the nation's conservation problems?

The Department of Agriculture makes recommendations in the RCA plan which may bolster the effectiveness of these programs. This recommendation is to redirect funds and personnel toward new national objectives for conservation—USDA would key resources in on critical problem areas. In these times of budgetary constraints, targeting of USDA funds will establish priorities for addressing the most threatening erosion and flooding problems.

Another provision of the RCA plan which I encourage the Department to implement is an increase in the role State and local governments play in conservation projects. The cost of programs that are important to a local soil and water conservation district, but not national in scope, could be shared with the Federal Government.

Again, I appreciate the efforts you have made with the RCA plan and I join you in encouraging our nation's farmers to be good stewards of their land. The continuation of an agricultural abundance depends on this.

STATEMENT OF HON. THAD COCHRAN, A U.S. SENATOR FROM MISSISSIPPI

Mr. Secretary, you and your staff are to be commended for the final report which provides direction for future USDA conservation efforts.

We are all well aware of the concern for conservation of our soil and water resources that arose during the 1970's, and in fact continues today. This concern was raised at all levels of our society, and resulted in the legislation requiring a coordinated national soil and water conservation program.

As a result of this legislation and your inputs several new initiatives in soil and water conservation have already occured which are quite gratifying.

The most comprehensive assessment of the condition of the soil, water and related resources on non-Federal lands has been completed. We now know for example; that erosion on the 413 million acres of cropland averages 6.8 tons per acre per year and that 54 percent of all sheet and rill erosion occurs on 10 percent or 41 million acres of the Nation's cropland.

We can now point specifically at those areas with the most critical problems. Conservation efforts are already underway in some of these areas. In Mississippi, we have 14 counties in a targeted area and anticipate another targeted area being designated in 1984.

The public awareness of resource problems has continued to increase through involvement of many in the review process and the Lou Harris poll on conservation.

This awareness has resulted in action at the State and local level also. In my own state, the State Soil and Water Conservation Commission has developed a state soil and water conservation long range program. This is the first long range view we have undertaken.

Another area of progress that I feel is commendable is in the internal communication and coordination among the eight USDA agencies involved one way or another in conservation activities. I'm aware of two such actions. First the Soil Conservation Service Briefing Material for their 1984 budget request included a section on the total USDA Soil and Water Conservation Program Funding. This type of coordination in itself makes the Resource Conservation Act worth while. The second action is the initiation of the Conservation Reporting and Evaluation System (CRES) which I understand involves two or three agencies and many of the conservation financial assistance programs.

I strongly encourage you to continue these coordination and cooperation efforts. It is an excellent way to help stretch our dollars during these tight budget times.

This leads me to some of my concerns. I will have some specific questions on these items later Mr. Chairman, but I would like to mention them briefly now.

First, Conservation budget requests seem to have taken a serious drop, even below the "low bound" level specified in the final report we're reviewing today.

Second, I have some concern about targeting. Although I favor targeting as a way to increase efficiency in use of limited funds, I worry about the costs of moving people, the utilization of lots of money on a few acres, the distribution criteria of targeted areas, and the overlooking of conservation problems that can be addressed before they become critical.

Third, I'm concerned about too much reliance on state and local programs to fulfill the void left by Federal Programs as they are "redirected" to address the national priorities of reducing excessive soil erosion, conserving water in agriculture and reducing upstream flood damages. What happens to the preventive conservation on forestland, fish and wildlife habitat improvement, urban and community resource conservation and the other efforts which were an integral part of past conservation efforts? Are we going to let these become "excessive problems" which cost an inordinate dollar amount to fix, or are we going to spend a few dollars now for prevention?

My last major concern is related to what is being done to establish a conservation PIK program which I wrote you about on January 24, 1983.

I will address these concerns further in my questions,

Thank you Mr. Chairman.

STATEMENT OF HON. WALTER D. HUDDLESTON, A U.S. SENATOR FROM KENTUCKY

Soil and water resource conservation problems are matters of national concern, and resource conservation efforts should be strongly supported at the Federal level.

Federal support should be reflected in the budget and in the National Soil and Water Resources Conservation program.

There is a growing awareness of the problems we face in conserving our Nation's natural resources. The Soil and Water Resources Conservation Act of 1977—legislation that I sponsored—through its well documented appraisal of the Nation's soil and water resources, helped raise the public's awareness about the problems we face.

We have now reached the point when it is time to begin implementation of a sound, workable soil and water resource conservation program.

However, the administration has submitted a budget proposal for 1984 that essentially dismantles the existing tried and proven programs.

In addition, we are told that the appropriate Federal role is to provide primarily technical assistance, while the most serious problems are to be passed along to the States.

I am particularly concerned about the inadequacies of the administration's budget proposals as they relate to the cost sharing programs, water conservation and flood prevention programs, the resource conservation and development program, and the

matching grant program that the administration requested but has neglected to implement.

I am also concerned about the ability of the States to assume additional responsibility for resolving our national soil and water resource conservation problems.

I am fearful that, over a period of years, the cumulative effect of the administration's proposals for conservation programs would be devastating. We cannot afford to gamble with our nation's greatest resource, our productive farmland.

This hearing will provide the Secretary of Agriculture with an opportunity to review the administration's conservation program in detail. I appreciate Secretary Block coming up here to discuss this important matter with us and look forward to hearing his testimony.

STATEMENT OF HON. EDWARD ZORINSKY, A U.S. SENATOR FROM NEBRASKA

Chairman Jepsen and members of the subcommittee, this is a timely hearing on a subject of growing national importance—the urgent need to strengthen our conservation efforts.

Modeled after the Resources Planning Act of 1974, which related primarily to the federal management of government-owned forest land, the Soil and Water Resources Conservation Act was signed by President Carter in 1977. The Act requires the Department of Agriculture to assess soil and water resources with the objective of developing a coordinated national soil and water conservation program.

The need for addressing our problems is universally acclaimed but a national commitment to solving them is still lacking in spite of the magnitude of the problems.

Secretary Block highlighted the need for action by pointing out in his statement to the Subcommittee that (1) one-third of our cropland is eroding at rates that reduce its productivity; (2) irrigation water in the plains states is being pumped from aquifers at a faster rate than it is being replenished, (3) yearly flood damage in upstream areas exceed one billion dollars annually and (4) more than one-half of our privately-owned grazing land is producing at less than one-half of its potential.

Falsely assured of an increasing overseas demand for soybeans and grain beginning with the decade of the 1970s, farmers responded by expanding crop acreage. With the best cropland acreage already in production, the areas of expanded production were more subject to erosion with wind erosion reminiscent of the 1930s and the return of the dust bowl era again a threat. A recent USDA press release, for example, reported that a half-million acres of land in the plains states were wind damaged in the first two months of the 1982–83 growing season an increase of 42 percent over the same period of a year earlier.

I want to identify with Chairman Jepsen's strongly expressed concern over budgetary constraints on conservation programs proposed by the Administration for 1984. The Chairman said and I concur, that "the recent budget submitted by the President relative to soil and water activities provide signals for the lack of urgency in maintaining needed programs."

The funds budgeted for urgently needed conservation programs in 1984 are not consistent with the objectives of the five year conservation program the Administration unveiled in December of 1982.

A comparison of the proposed 1984 budget for conservation programs with the 1983 budget reveals that—

The Watershed and Flood Prevention operations are cut from $184.9 million to $91.6 million;

The Great Plains Conservation Program is cut from $21.3 million to $15.5 million;

The funding of $25.7 million in 1983 for Resource and Conservation Development is totally eliminated;

The battle continues between Congress and the Administration over the level of Agricultural Conservation Program cost-sharing. Through 30 years and 7 presidents, Congress and restored Administration cuts in ACP. Again there is a proposed cut from $190 million to $56 million.

A farm organization spokesman, Mr. John Anderson, Master of the National Grange, has called for some prespective to the question of sound resource policy. He said that "It is foolish to compare our nation's need for soil and water conservation to other 'discretionary, non-defense activities' because soil and water are this country's lifeblood."

Mr. Chairman, I again want to express my support for your leadership in holding these oversight hearings. Through the hearing record, I hope that a signal can be sent to the members of the appropriations committees in both the Senate and the

House expressing the concern of this committee that current proposed funding levels of conservation programs do not provide for a prudent stewardship of the production resource base of our nation.

STATEMENT OF HON. ORRIN G. HATCH A U.S. SENATOR FROM UTAH

Mr. Chairman: I would like to take this opportunity to thank you for your work and initiative in setting up this hearing and the four field hearings which are to follow. I am particularly pleased that Secretary Block is able to be with us today and want to extend my thanks to him for taking time from his schedule to discuss the Resources Conservation Act and the administration's compliance with the act.

As we all know, the Resources Conservation Act, passed in 1977 required the Secretary of Agriculture to develop a national program by which the Department of Agriculture could implement future soil and water conservation activities on non-Federal lands.

Passage of this act resulted from a heightened awareness of the kinds of stress the agricultural community, (and consequently the nation's food supply), would experience if no long range planning was made to protect our most important agricultural resources; soil and water.

The Congress of 1977 considered the protection of our farmlands and water resources a responsibility of the Federal Government. (While it may seem somewhat contradictory to discuss the importance of maintaining and increasing our farmers ability to produce during a time when we have record crop surpluses and are in the process of implementing programs to give surplus commodities away, both at home and abroad, I believe that commonsense dictates the absolute necessity of preserving our valuable farmland.)

Preliminary studies resulting from the act validated the timeliness of these concerns, finding that a significant portion of the Nation's agricultural land is eroding at a faster rate than can be naturally replenished.

Preliminary studies also indicated that continued depletion of ground water threatens the continuation of irrigated agriculture in extensive areas of the West. As most of you know, water is a scarce and priceless commodity in the arid West, and the conservation of existing water resources and the quality of that water is a critical concern of these regions. This is becoming an increasingly important issue as agricultural, energy and population growth continues.

High salinity levels are also a constant concern to states in the Colorado River Basin and I am pleased that this administration has made a continued commitment to fund such programs as the Colorado River salinity control project in an effort to address this issue.

During this series of hearings I believe a question which will be asked again and again is whether or not the priorities outlined in the final EIS have been correctly identified and whether or not they have been or will be properly implemented.

I am particularly interested in gathering testimony both here and in the field as to how well the national priority list applies to each State, and whether or not any allowance is now being made to take individual geographic concerns of each state into consideration. I know, for example, that the State of Utah has set priorities which do not identically coincide with the national priorities, outlined in the program and assume this is not unique to my home state.

I personally will be interested in a discussion of the targeting program, and the reception that program has received across the country, and I am also interested in determining how successfully the goal of strengthening the relationship between the State, local, and Federal levels of government has been met.

Mr. Chairman, once again, I would like to thank you for your initiative in undertaking this ambitious series of hearings and look forward to participating in them. I am hopeful that these hearings will focus not only on the results of the RCA final report, but will also give us the opportunity to determine what changes, if any, should be made in this program.

I would like to submit a number of questions for the record, if that meets the approval of both you, Senator Jepsen, and Secretary Block. Thank you very much.

STATEMENT OF HON. JOHN R. BLOCK, SECRETARY, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the subcommittee, it is a pleasure for me today to make our first detailed presentation before Congress of the National Program for Soil and Water Conservation. This is the program which the Department of Agricul-

ture has developed under the Soil and Water Resources Conservation Act (RCA). It was formally sent to Congress by the President on December 21, 1982.

I welcome this opportunity, because I know that you, Mr. Chairman, and this entire Subcommittee share with me a deep concern for conserving our Nation's soil and water resources. We believe that our new soil and water conservation program will improve the efficiency and effectiveness of USDA programs to conserve natural resources. Our natural resources deteriorate where there is excessive soil erosion, improper or excessive water use, flooding and other such problems. This program will slow that deterioration. At the same time, the program goes hand-in-hand with other aims of this Administration—a market-oriented farm economy, new agricultural markets, expanded agricultural research and techonology development, and a larger role for local and State governments.

Our conservation program calls for increased emphasis on the most critical conservation needs. Yet it reflects the current economic situation.

The program is flexible. It allows for successful operation during current economic conditions and as the economy continues to improve.

When the President released this program to Congress, he sent along with it his own Statement of Policy. Here is an excerpt from his statement that sums up this Administration's aims through this program. After he described the nature of soil erosion and other resource problems facing our country and reviewed the Federal conservation programs we have had since the 1930's, here is what the President said:

"The Appraisal makes it clear that some changes in Federal soil and water conservation programs will be necessary to provide protection for the Nation's soil and water resources on non-federal land. Simply increasing Federal contributions to soil and water conservation is not the answer to our resource problems. Stewardship of the land is primarily the responsibility of the individual landowner. The marketplace generally determines what resources the individual will devote to the management of his land and water. The role of the Federal Government in promoting soil and water conservation is therefore subject to limitations imposed by economic conditions and the individual landowner's willingness to cooperate. The most important contribution that this Administration can make to the conservation effort is to redirect current conservation programs and develop fresh approaches to solving the resource problems that continue to threaten the long-term productivity of our soil, water, and related resources. The program effects this redirection and provides for these fresh approaches. It will be the new benchmark for budget proposals and planning of all conservation programs in the Department of Agriculture."

I am as enthusiastic about this program as the President. It is the response that we need to address the threats that we face to our soil and our water. There is no question that this program is badly needed.

One third of our cropland is eroding at rates that reduce its long-term productivity.

In the West and Great Plains, ground water is being pumped from aquifers faster than it is being replenished.

Annual flood damages in upstream areas exceed one billion dollars per year.

More than half of our nonfederal grazing land is producing at less than half of its potential.

In the face of these serious threats to our soil and water and our future agricultural productivity, we have taken stock of our many existing conservation programs.

Not all the news is bad, by the way. Conservation tillage is growing in acceptance by leaps and bounds. USDA has had a major part in educating and persuading more and more farmers to practice this sensible, economical way to conserve soil. It saves oil, and it saves toil while it saves soil.

In just the past decade, farmers have been adopting conservation tillage at an impressive rate. In 1973, only 3.2 million acres were being farmed under conservation tillage. That's less than 1 percent of the Nation's cropland. Today, 110 million acres—over 25 percent of our cropland—is under some form of conservation tillage.

Nevertheless, some USDA soil and water conservation programs, while popular with farmers and ranchers, do not clearly address the Nation's most critical soil and water resource problems. After nearly half a century of Federal conservation assistance programs, a substantial number of farmers and ranchers still have not applied needed conservation measures.

Substantial changes in Federal soil and water conservation programs are necessary if these programs are to make their maximum contribution to protection of the Nation's soil and water resources. While many would argue that more funds for conservation is the answer, we feel that before more funds are recommended, the programs themselves need to be revamped, and we have begun the task.

Now let us review the program itself.

CHART No. 1

Program Components

- Setting USDA long term program objectives
- Setting national program priorities and concerns
- Redirecting USDA conservation activities
- Strengthening the conservation partnership
- Improving program management

PROGRAM COMPONENTS

The program five major components.

1. Setting USDA long term conservation objectives.
2. Setting, for the first time, national program priorities and concerns.
3. Redirecting USDA conservation activities in line with those priorities.
4. Strengthening the conservation partnership between USDA, the States and local governments.
5. Improving program management within our USDA family of eight agencies that operate 27 separate conservation programs.

USDA LONG TERM CONSERVATION OBJECTIVES

I will discuss each of these components in more detail. First, we have set for USDA the following long-term objectives in conservation:

Attack excessive soil erosion.

Improve irrigation efficiency, in both water use on the farm and in water conveyance systems.

Reduce upstream flood damage through structural and nonstructural methods—with the emphasis on nonstructural methods.

Improve the condition of rangeland by reducing excessive erosion and emphasizing rangeland management systems.

Improve water quality in the streams that receive runoff from agriculture.

SETTING CONSERVATION PRIORITIES AND CONCERNS

However, not all of these long-term objectives can receive the same priority in the short term. In our program, we establish national priorities to guide USDA conservation activities for the years 1983 through 1987. This is the first time USDA has faced the "priorities" question head-on in conservation.

CHART NO. 2

National Program Priorities and Concerns

Priorities

- **Reduce excessive soil erosion on crop, range,pasture and forest lands**
- **Conserve water used in agriculture; reduce flood damages in upstream areas**

Concerns

- **Improvement of range, pasture, and forest lands**
- **Improvement of water quality**
- **Conservation and development of natural resources in urban areas and rural communities**
- **Improvement of fish and wildlife habitat**
- **Management of organic wastes**

The first priority for these years will be to reduce excessive soil erosion on crop, range, pasture, and forest lands. The second priority is twofold: to conserve water used in agriculture in the arid West and to reduce flood damage in upstream areas in the wetter sections of the country.

While national priorities will thus dominate USDA's efforts, we recognize at the same time the need for flexibility around the country. The program will allow room for States and local governments to choose to attack other problems not on the list of "priorities"with assistance from USDA. We call these problems our "concerns" to distinguish them from our "priorities."

Improvement of range, pasture, and forest land; improvement of water quality; conservation and development of natural resources by urban areas and by rural communities; improvement of fish and wildlife habitat; and management of organic wastes from livestock.

REDIRECTING USDA CONSERVATION ACTIVITIES

Our next program component is our decision to take these priorities and redirect our programs to reflect them. This is the core of the program.

CHART NO. 3

How USDA Programs Will Be Redirected Toward High-Priority Resource Problems During the RCA Implementation Period, 1983-87

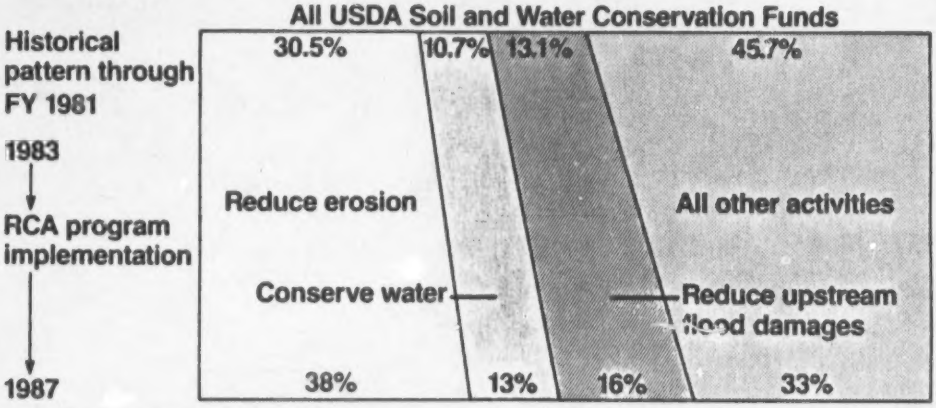

Chart 3 shows the shift in funding that will result. Our erosion-reduction funding will increase from 30.5 percent of all conservation funds in 1981 to 38 percent in 1987. Our water conservation activities will go up from 10.7 percent in 1981 to 13 percent in 1987. Our funds for reduction in upstream flood damages will go from 13.1 percent in 1981 to 16 percent in 1987. This means the percentage of our funding for the five "concerns" will decrease from 45.7 percent in 1981 to 33 percent in 1987. Thus, over the next 5 years, the way we spend our program funds will show a decided shift in favor of our top priorities. For the first time, our whole conservation effort at USDA will be accountable to a national set of priorities, and not just a hit-or-miss process.

TARGETING TO BE PART OF REDIRECTION

Now we turn to some more redirection, in which we will target assistance to areas of the country with critical resource problems.

The targeting concept recognizes that the most severe resource problems are concentrated in relatively small areas. For example, nearly 90 percent of the excess sheet and rill erosion occurs on about 10 percent of the cropland.

USDA will designate critical resource problem areas, where excessive soil erosion, water shortages, flooding, or other problems threaten, long-term agricultural productivity. A targeted area will receive extra assistance to control or significantly reduce the problem.

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Targeted assistance will be increased every year between now and fiscal year 1987, when it will account for 25 percent of the technical and financial assistance budgets of two USDA agencies, the Soil Conservation Service (SCS) and the Agricultural Stabilization and Conservation Service (ASCS).

Targeting is designed to accelerate conservation treatment in areas that have more critical and persistent erosion and water problems. Targeting has already demonstrated that it is effective.

The Soil Conservation Service initiated targeting in its conservation technical assistance 2 years ago, in fiscal year 1981, using $4 million of new money that Congress had included in the SCS appropriation. This effort increased in fiscal year 1982, again, with $2.6 million in new money provided in the SCS appropriation. ASCS initiated targeting in fiscal year 1982 in the Agricultural Conservation Program (ACP), with $10 million. In this fiscal year, ASCS is targeting 10 percent of its total funds, $19 million, to critical areas while SCS conservation technical assistance is targeting $12.5 million. So targeting is already under way in this fiscal year and is even ahead of schedule in the case of ACP. ACP, under the National Program, is only required to target 5 percent this year but instead is targeting 10 percent.

MAP NO. 1

Map No. 1 shows the areas that are presently targeted to cropland erosion control, the gray areas, and those proposed in fiscal year 1984, the striped areas.

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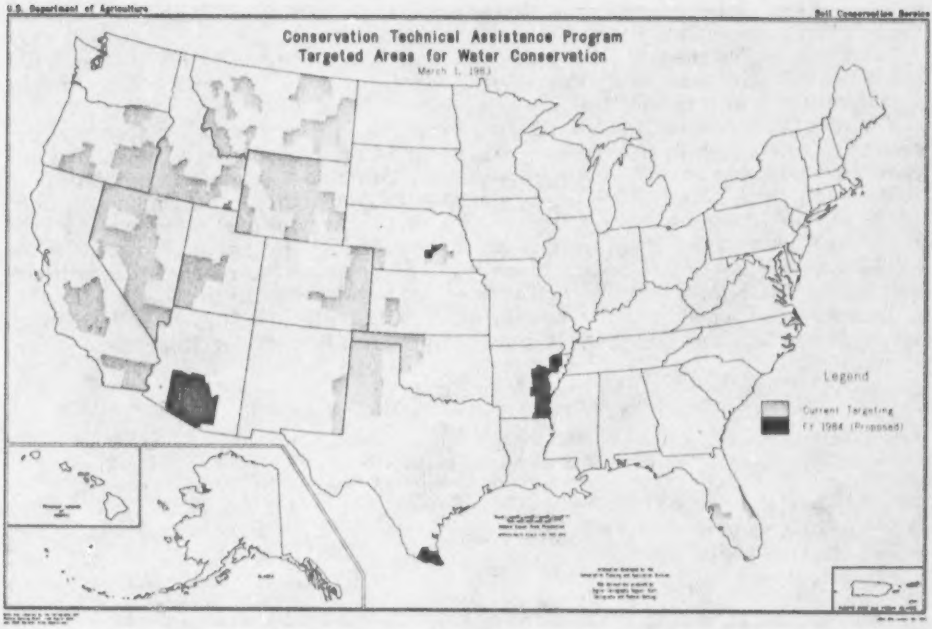
MAP NO. 2



Map No. 2 shows the areas that are presently targeted to water conservation/salinity control, the gray areas, and those proposed in fiscal year 1984, the striped areas.

If you notice the way targeting is distributed, you will observe that a majority of States have at least one targeted area or a portion of a targeted area within their boundaries. Targeting will be nationwide, but it will concentrate on those areas within the States with the most critical problems.

State agencies and local conservation districts are actively assisting in targeting by providing additional technical and financial assistance. This assistance was valued at more than $99 million in 1981.

While so far the only agencies targeting their programs are SCS and ASCS, in the future targeting will influence other conservation programs in USDA in the Forest Service, Agricultural Research Service, Economic Research Service, Cooperative State Research Service, and Extension Service. These agencies will increase their emphasis on priority resource problems in the SCS and ASCS targeted areas in the researchable, informational, and educational activities they carry on.

The major question to be asked is "does targeting work?" We can reply that so far we have been impressed with the increased amount of erosion reduction we have achieved through targeting.

Data from the first 12 months of targeting to critical problem areas show that in the 132 counties targeted to critical cropland erosion through 1982, we have increased erosion reduction by 5.8 million tons simply by shifting staff into these critical erosion areas. Thus, with little increase in cost we have achieved major improvement—80 percent in soil saved in those counties. We expect even higher performance this fiscal year.

Our fourth program component is:

STRENGTHENING THE CONSERVATION PARTNERSHIP

The national conservation program will strengthen the role of existing local agencies and organizations.

As USDA has done ever since 1935, it will continue to encourage conservation districts to develop local programs in cooperation with county Agricultural Stabilization and Conservation committees, Extension advisory committees, other local groups, and, above all, with individual farmers. These programs will establish local objectives, identify critical problems and areas, and set priorities for action.

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In addition, the National Program calls for matching grants to conservation districts where resource problems are severe. USDA would match State or local funds in awarding grants to conservation districts through the State soil and water conservation agency. The Federal share could be as high as 75 percent. For fiscal year 1983, USDA requested $10 million for these grants, which were originally authorized in the 1981 Farm Bill. However, Congress did not include funding for this activity as we had requested in fiscal year 1983. Accordingly, no funds are included in our new budget for fiscal year 1984 for grants.

IMPROVING PROGRAM MANAGEMENT—MAKING OTHER USDA PROGRAMS CONSISTENT WITH CONSERVATION

The fifth and final component of the National Program calls on us in USDA to improve the management of the programs we oversee.

USDA will put conservation into the eligibility requirements for certain loans from the Farmers Home Administration. An applicant for a farm ownership loan or soil and water loan will need a conservation plan, or at least he must have requested a conservation plan from SCS. USDA will require a commitment from the applicant that he will correct any serious erosion problems.

This introduces an aspect of cross-compliance in the program, but we believe it is an appropriate situation for cross-compliance. The cross-compliance concept is growing in acceptance. The National Association of Conservation Districts has now expressed its support for cross-compliance through a resolution passed at its convention last month in New Orleans. Last year, after we first proposed this cross-compliance feature, it was approved by 53 percent of those who responded during the public comment process on RCA.

Another example of connecting conservation goals to other farm programs is in Senator Armstrong's bill, S.663, which was introduced on March 3, 1983. This bill has 20 co-sponsors, including yourself, Mr. Chairman, Senator Hatch from this Subcommittee, and Senators Hawkins and Zorinsky from the full Committee.

An identical bill, H.R. 1077, was introduced in the House by Congressman Brown on January 31, 1983. The Administration has been supporting the concept of this "sodbuster" legislation. It would discourage plowing up fragile soil by denying price support and other programs to such operators. In addition, under the National Program we have assigned the Economic Research Service to identify and study opportunities where USDA programs can be made more consistent with conservation objectives.

OTHER IMPROVEMENTS IN PROGRAM MANAGEMENT

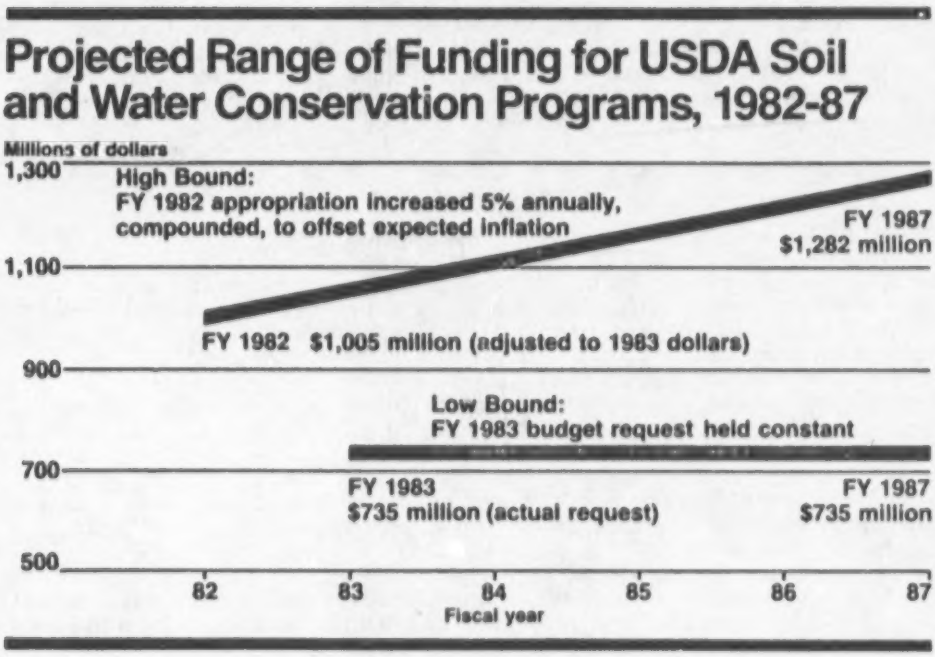
Finally, there are other improvements in program management we intend to make under the National Program. To design better programs for conservation, we will engage in pilot projects and generally strengthen our capability to gather and assess resource data.

We have eight different agencies in USDA directing 27 separate conservation programs. Each of these programs has its own strength. But under the National Program, we plan to make these programs even stronger by having closer cooperation among them. We have already begun to plan the budgets of the programs in a unified way across agency lines. On February 2, I formed the task force in which these agencies will work together in implementing all aspects of the National Program, and I called the agency heads together to give them my philosophy of working as a team. Just as this has been my managerial approach as Secretary, it is going to be our approach under this National Conservation Program.

And at the field level, where we deliver our technical and financial assistance to farmers and landowners, the National Program has pointed out a need for greater use of long-term agreements for conservation instead of one-year-at-a-time performance. The National Program states that conservation systems on the land should be made up of several complementary practices instead of isolated, single practices. Our field staffs will be directed to manage their programs accordingly.

Now let me comment on the funding for the program.

CHART NO. 4



PROJECTED FUNDING LEVELS

The Department projected two levels of funding for the National Conservation Program—high bound and low bound.

The high-bound level has as its starting point the actual Congressional appropriation for all USDA conservation activities in fiscal year 1982. This level, expressed in 1983 dollars, is $1.005 billion. Under high-bound funding, this amount would rise 5 percent each year through fiscal year 1987. Thus, in fiscal year 1987, high-bound funding would reach $1.282 billion.

The low-bound funding level has as its starting point the $735 million requested by the Administration in fiscal year 1983 for all USDA conservation activities. In the fiscal years 1984 through 1987, low-bound funding would remain at $735 million.

In the budget for fiscal year 1984 sent to Congress in January, it was necessary for the Administration to request 6 percent less funding for conservation than the $735 million low bound, due to the austere measures required in this budget. In future years, economic and fiscal conditions may intervene to bring this figure once again below the low bound.

IMPLEMENTATION UNDERWAY

Finally, Mr. Chairman and members of the Subcommittee, as I have stated, implementation of the National Program is already underway. Many facets of the program are already in place, for example, the targeting of ASCS-ACP cost-sharing funds and SCS conservation technical assistance funds.

As I said before, I met early last month with the eight agency heads who will be implementing this program and gave them my direction to proceed. With your permission, Mr. Chairman, I would like to submit a copy of my remarks at that meeting for the record, and I would like to quote my closing remarks.

"I look forward to working with you on getting this program implemented. We're going to do what no previous Administration has tried to do in this Department—make our various conservation programs more effective, more efficient, and more unified using a single blueprint over a 5-year period. You'll have my complete support, and I know I'll have yours."

Thank you. Once again, I appreciate the opportunity to appear before your Subcommittee today.

REMARKS OF SECRETARY JOHN R. BLOCK, FIRST MEETING OF TASK FORCE FOR RCA IMPLEMENTATION, FEBRUARY 2, 1983, 10 A.M., ROOM 104-A

INTRODUCTION

A key accomplishment of this Administration in the Department of Agriculture has been the completion of the national program for soil and water conservation under the Soil and Water Resources Conservation Act of 1977 (RCA), Public Law 95-192.

Now that the President has transmitted this program to Congress along with his statement of policy, our focus has shifted from the preparation of the program to its implementation within the Department over the next 5 years. To launch our implementation of RCA, I have established this task force of the heads of the eight USDA agencies with conservation programs, chaired by the Assistant Secretary for Natural Resources and Environment. The task force will oversee implementation of the program and report to me periodically on its progress.

Before describing this task force and its specific duties in detail, I wish to commend the RCA team from the Soil Conservation Service, which worked under the leadership of Assistant Secretary Crowell. I wish also to commend the representatives of other agencies who have worked with the RCA team as an interagency liaison group. Working diligently from June 18, 1981, until the present time, these people have delivered a program that will be our blueprint for the improvement of conservation programs in the Department. Now that we have our blueprint, we have the challenge of putting it in place. The task will not be simple. There are few precedents in this Department for implementing a single program across agency lines over a 5-year period. This will take teamwork. You, the agency heads, will have to be responsible for this teamwork. I am confident that through this team approach, with a common objective and a common commitment, we can accomplish more than we could if each agency simply went its own way. I know you have been doing this already. For example, research in ARS, ERS, and Extension programs are being re-oriented to RCA priorities. SCS and ASCS have begun targeting and redirecting their priorities.

I have made conservation one of my top priorities as Secretary. We must have a strong conservation program or we will not have a prosperous agriculture in future generations. It is true that right now we have surpluses in production. We also see such great increases in yield every year that they tend to hide the effect of what's happening to our soil and water. But we should still be worried because we can't count forever on these surpluses, and we must conserve our good topsoil to safeguard these yield increases. We are foresighted enough to know that our long-term agricultural productive capability has to be maintained.

MAIN FEATURES OF THE PROGRAM

The national program establishes for the first time a set of national priorities, with erosion control, water conservation, and upstream flood protection heading the list. It also establishes a policy of targeting additional technical and financial assistance into areas with the most critical resource problems, while maintaining a base program throughout the country. The translation of these concepts—resource priorities, geographical targeting, and a base program—into practice will be a task for the conservation agencies following the guidance of this task force.

The program includes other changes in direction and necessary improvements. They will likewise need careful attention during the implementation period. They include:

Emphasis on cost-effective measures, such as conservation tillage and range management systems.

Closer cooperation and budget coordination among our various USDA agencies engaged in the conservation mission.

Pilot projects to test new approaches to solving conservation problems.

A grants program to conservation districts (once funds are appropriated).

Strengthening USDA's partnership with local and state governments and expanding this role in conservation.

Emphasizing a "conservation systems" approach and more long-term conservation agreements in our assistance to farmers and ranchers.

Targeting USDA research and extension services to achieve RCA program objectives.

Amending the eligibility requirements for FmHA soil and water loans and farm ownership loans to require conservation plans.

Minimizing other conflicts in USDA farm programs that limit achievement of conservation objectives.

Evaluating USDA conservation programs and analyzing their progress.

Strengthening USDA's capability to analyze soil and water resource data.

THE TASK FORCE FOR IMPLEMENTING THE PROGRAM

I am assigning the Assistant Secretary for Natural Resources and Environment to chair this task force composed of the heads of the following eight agencies: A. Soil Conservation Service, Peter Myers; B. Agricultural Stabilization and Conservation Service, Bud Rank; C. Farmers Home Administration, Charlie Shuman; D. Agricultural Research Service, Terry Kinney; E. Cooperative State Research Service, Walter Thomas; F. Economic Research Service, John Lee; G. Extension Service, Mary Nell Greenwood; and H. Forest Service, Max Peterson.

THE DRAFT PLAN AND IMPLEMENTATION SCHEDULE

The first assignment of this task force will be to prepare a draft plan and schedule for implementation of the RCA program at an early date. It should describe the process for implementation and identify any important policy issues which the task force anticipates that the Secretary must decide upon in the course of implementation.

The chairman will be responsible for overseeing the implementation schedule. The task force will meet at the call of the chairman to assess the progress of implementation and to resolve issues among agencies that require resolution. Issues that require resolution above the task force level will be submitted to me by the chairman. The chairman will report to me from time to time on the progress of the implementation, but at least once a month.

CLOSING

I look forward to working with you on getting this program implemented. We're going to do what no previous administration has tried to do in this Department—make our various conservation programs more effective, more efficient, and more unified using a single blueprint over a 5-year period. You'll have my complete support, and I know I'll have yours.

RCA—The Administration's Strategy for Addressing Soil and Water Conservation During the Next Five Years

(By Jeffrey Zinn, Specialist, Environment and Natural Resources Policy Division, Congressional Research Service, The Library of Congress, February 28, 1983)

INTRODUCTION

The Soil and Water Resources Conservation Act of 1977 (Public Law 95-192), also known as RCA, requires the Department of Agriculture to assess soil, water, and related resource conditions on non-federal lands. The assessment is to be used in developing a coordinated national soil and water conservation program that will guide future U.S. Department of Agriculture (USDA) activities. The assessment and program are to be updated every five years. The Department released its final report, including recommendations in December, 1982.[1]

This review summarizes USDA activities to meet requirements of RCA. The need for RCA, and its purposes are discussed in the first section. The second section describes what the Department learned when it conducted an appraisal of soil and water conditions. The third section presents the Department's recommended program as well as alternatives considered and rejected. The fourth section describes budget issues related to RCA, including the Administration's fiscal year 1984 budget proposals. The final section lists some questions Congress may wish to address as it examines the RCA report.

ACTIVITIES LEADING TO THE RCA REPORT

Congressional concern about agricultural resource conservation issues increased during the 1970's as farmers responded to rapid expansion in export markets by ex-

[1] United States Department of Agriculture. A National Program for Soil and Water Conservation: 1982 Final Program Report and Environmental Impact Statement. Washington, 1982.

panding cropland acreage. Much of the Nation's best land was already under cultivation, and areas of expanded production were often of lower quality and more prone to erosion. Further, cropland expansion often reduced the value of other resources, such as fish and wildlife habitat.

These rapid changes and the accompanying problems led to constituent concern and Congressional interest over apparent reductions in soil and water resource values. Questions raised included: what is the magnitude of these reductions, why have resource conservation problems appeared to increase recently, and what should be done to solve them?

Congress decided to follow as a model legislation that had already been enacted to provide for better planning and more efficient expenditures of Federal funds in the management of timber resources—the Resources Planning Act of 1974 (RPA). Many of the questions raised about the effectiveness of Federal efforts to reduce soil and water conservation were similar to those that had been raised about the Nation's Federal forest resources management program.

In 1976, Congress passed comprehensive soil and water conservation legislation, but President Ford vetoed it. He stated that a large bureaucracy would be created to develop a rigid master plan, limiting Presidential flexability in preparing budgets.

Legislation was again passed in 1977, and signed into law by President Carter. The RCA requires the Department of Agriculture to inventory existing soil, water and related resources, to analyze and evaluate existing programs, and to propose modification to current programs that would more effectively implement an overall conservation policy. The law requires that the President submit a plan in 1980 and every five year thereafter. (The law terminates in 1985 unless renewed.) Starting in fiscal year 1982, budget submissions are to correlate proposed funding levels for conservation programs with policies developed through the RCA process. One key element in the RCA process is the evaluation of existing conservation programs to determine the degree to which they are meeting their objectives.

How has the Department implemented the RCA? As with most new programs, the early history of RCA included a period of getting organized, accompanied by debates about alternative approaches for implementation. In 1980, drafts of the resource inventory and assessment were released for comment. A draft of program alternatives and an environmental impact statement were also released at that time. Extensive public comment was received, including 65,000 written responses. Additional public opinion had been solicited in 1979 through a national survey of over 7,000 participants conducted by Louis Harris and Associates. A revised draft program and enviromental impact statement (EIS) was issued in 1981, followed by the submission of the national program final report in December 1982.

FINDINGS OF THE FINAL RCA REPORT

The RCA examined three broad topics, changing conditions of soil, water and related resources, public opinion about Federal resource conservation efforts, and the effectiveness of existing programs. Each topic has broad implications for selecting policies to guide future conservation efforts.

Resource Conditions.—The RCA examined recent changes in soil, water and related resources. From this examination the Department identified five major resource problems. Each resource problem is expected to increase if the demand for agricultural products grows. These problems, as presented in the RCA Appraisal are summarized below.[2]

Soil Erosion.—More than 50 percent of all soil erosion caused by water occurs on only 10 percent of the Nation's cropland. At the same time, more than 77 percent of the cropland is losing soil at less than 5 tons/acre/year, the nationally-accepted rate at which long-term productivity can be maintained. Soil erosion by water and wind in reducing productivity on 141 million acres. Over the next 50 years, productivity losses could equal the output of 25 to 62 million acres of cropland, or production of 50 to 75 million metric tons of grain annually.

Flood Damages to Cropland.—About 175 million acres of non-federal lands are subject to flooding including 35 million areas of cropland. Total flood damages exceeded $3.4 billion in 1975, and about half these damages occurred in agricultural areas, mostly in upstream portions of watersheds. Upstream damages could increase by almost 50 percent by the year 2000, to $2.3 billion annually, thereby increasing the cost of producing food and fiber.

Water Conservation.—Water deficits are growing, especially in arid areas. In a triangle between Texas, Colorado and California, water requirements exceed supplies

[2] U.S. Department of Agriculture. Appraisal 1980: Review Draft, Part II. Washington, 1982.

more than half the time in average years. Irrigation efficiency, which averages 78 percent for delivery to the farm and 53 percent for use on the farm, is one source of this problem. A second is excessive withdrawal of groundwater; in some areas groundwater levels are falling 7 feet to 10 feet per year.

Water Quality.—Agriculture is the main source of non-point pollution. Pollution comes mainly from runoff and irrigation return flow. Runoff is generally responsible for higher levels of bacteria, sediments, nutrients, and pesticides, while irrigation return flow is generally responsible for higher levels of dissolved solids, nutrients, and pesticides.

Related Resources.—Three related resource problems were identified. First, expanded cultivation, monoculture and the loss of hedgerows are reducing the diversity of wildlife habitat. Second, runoff is polluting streams and lakes, affecting fish and wildlife near banks and shores. Third, thousands of acres of wetlands, which provide habitat for waterfowl and wildlife, are being drained annually.

PUBLIC OPINION

The public is aware of these problems and is interested in seeing them solved. The Department of Agriculture commissioned Louis Harris and Associates to conduct a national survey assessing public opinion about soil and water conservation issues. Among the principal findings:

Over 85 percent of the 7,000 respondents accepted a Federal role in protecting cropland from erosion;

53 percent considered loss of farmland to be a "very serious" problem;

Half considered misuse of soil and water resources to be a "very serious" problem; and

Conservation was viewed as a joint public and private responsibility in which the burden should be shared.

The draft appraisal and program, released in 1980, was the subject of nearly 65,000 written responses signed by almost 120,000 individuals. After considering these comments, USDA developed a preferred program and two alternatives. In November 1981, these options were released for futher comments, facilitated with response cards. One-third of the 81,000 responses came from five states, Kentucky, Oklahoma, Texas, California, and Tennessee. More respondents supported continuation of present programs than either the preferred program or the other alternative. A majority of the respondents did support 15 to 20 features identified as associated with the perferred program. Greatest support was expressed for "emphasizing the conservation measures that are most cost-efficient in reducing erosion", and "emphasizing USDA assistance to farmers and ranchers for planning and installing conservation practices". The least support, about 25 percent, was expressed for "providing federal matching block grants to states by reducing federal conservation funds." More than one-third of the respondents volunteered additional comments. Some comments suggested additional sources of funding for conservation, including taxes on conversion of prime farmland, soil loss, or agricultural exports, user fees, oil depletion allowances, and a USDA no-till equipment rental program.[3]

PROGRAM EFFECTIVENESS

One reason for public concern about these issues is a perception that the present array of 26 programs is not as effective as it might be. The RCA mandated that the Department evaluate these programs. The November, 1982 Final Program Report lists 13 evaluations in process, 3 completed or partially completed, 9 planned, 1 needed but not planned, and 1 not within RCA. The Final Program Report describes the need for evaluations, stating:

"Evidence suggests that present programs, with their historic funding and personnel levels, have not been fully successful . . . Although millions of acres have received conservation treatment as a result of past and present USDA programs, new problems emerged in the past decade because of changes in farming and production practices, changes in farm ownership, and conversion of grasslands and forest lands to cropland."

The program evaluation requirement is important because two questions remain unanswered. First, do the individual programs solve specified conservation problems at an accepable rate. Second, is the degree to which these problems are being solved by the programs satisfactory? The resurgence of interest in conservation issues has

[3] A National Program for Soil and Water Conservation, p. 29, 43–47.

been tied, in large part, to a perception that problems are not being solved to a satisfactory degree.

Most outside reviews of USDA programs have been critical. For example, a 1977 GAO study of three of the major programs, Conservation Technical Assistance (CO), Agricultural Conservation Program (ACP), and the Great Plains Program, found that all three suffered from two major problems. First, erosion control received inadequate attention as a specific program objective. Second, highest problem areas did not receive any priority in terms of either attention or funding. In addition, the study identified difficulties in interagency coordination as agencies providing different approaches to solve problems competed for the farmer's attention and involvement.

Even in-house evaluations of these programs have often exposed deficiencies. For example, the GAO had found that the ACP program provided more cost-sharing funds for practices of a limited or temporary value, and that a portion of the practices were production-oriented rather than conservation-oriented. The administering agency, the Agricultural Stabilization and Conservation Service (ASCS), made a number of changes as a result of the audit. In a more recent evaluation, ASCS found that while improvements had been made, some problems remained. Fewer than half the control practices studied were being put in place in areas eroding at faster than five tons per acre per year, and only 21 percent were being installed on areas eroding at more than 14 tons per acre per year.[4]

RECOMMENDED ACTIONS

The Administration has recommended six approaches to address these problems.[5] These approaches are an outgrowth of alternatives considered by USDA while preparing the required RCA documents. Selected approaches appear to respond to public input, as well as institutional preferences.

First, the program recommends national priorities to guide conservation efforts. The priorities selected are reducing erosion, conserving water, and reducing flooding in small, upstream watersheds. Additional priorities could be set at state and local levels in recognition of regional variations.

Second, according to the Administration, the program would encourage development and adoption of the most cost-effective practices that solve resource problems. These include conservation tillage and range management.

Third, an increasing portion of the Department's conservation effort would be targeted to areas where the need for conservation is greatest. These areas are defined as sites where long-term productivity will be impaired without treatment, and where the problem is extensive enough to effect national capabilities to meet future production needs. Targeting will commit an additional 5 percent of technical and financial assistance each year until 25 percent of the budget for key programs is commited to targeting. Research, information and education programs will be targeted in the future.

Fourth, matching grants would be provided to encourage local and State governments to participate more fully in planning and implementing conservation programs. Grants will be made through State soil conservation agencies to local conservation districts and other local groups to foster improved State-local cooperation. Grants will be made available for up to 75 percent of the costs of activities addressing soil erosion, water conservation and upstream flood damage reduction. Local groups will have to meet certain eligibility requirements.

Fifth, the program calls for initiating pilot projects and special studies to examine or test new conservation methods and incentives to help landowners practice conservation effectively and at a reasonable cost. These projects could be conducted solely by USDA, or in coordination with State agencies and local groups. (Funding for these projects, $2 million has been deleted in the fiscal year 1984 budget request.)

Sixth, the program would attempt to improve coordination among Federal, State and local agencies with conservation responsibilities. The program's structure is designed to foster closer cooperation and coordination among the eight USDA agencies with conservation responsibilities.

Before this program was recommended, the Department considered a number of options. The Department integrated these alternatives into seven strategies that were proposed for public consideration in the 1980 Draft Program Report and EIS. These strategies were based on statements about soil and water conservation objec-

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[4] National Program for Soil and Water Conservation, p. 18–19.
[5] Ibid, p. 29–36.

tives, activities required to reach those objectives, and program delivery mechanisms. The following seven strategies were identified.

Redirect Present Programs.—USDA would continue its existing conservation programs, but it would redirect funds and personnel toward new national objectives for conservation.

Cross Compliance.—Farmers and ranchers would be required to perform certain conservation activities in order to receive assistance under certain USDA farm programs. Cross compliance has a number of alternative forms.

Regional Resource Projects.—USDA programs would be directed toward urgent and chronic regional resource problems of national importance. Project plans would be the basis for USDA assistance. This concept in a slightly modified form is now known as targeting.

State Leadership.—State governments would develop their own conservation programs. After approval by USDA, States could receive grants to ensure achievement of national conservation objectives.

Regulation.—Local, State, and national regulations would be coupled with financial and technical assistance to solve conservation problems according to USDA standards.

Conservation Performance Bonus.—Bonus benefits would be paid to farmers and ranchers who voluntarily solve conservation problems on their land. Bonuses could take the form of higher support payments, cost sharing, or favorable interest rates on loans.

Natural Resource Contracts.—Farmers and ranchers would receive annual payments for reducing erosion, conserving water, and applying other conservation measures.

The revised draft, issued in 1981, looked at three alternatives in detail: continuing present program trends, redirecting programs to critical problem areas, and increasing the State and local role. Under the third alternative, the use of pilot projects were described in some detail. Examples presented included conservation incentives, conservation performance payments, conservation easements and diversion payments, bonuses as incentives for cross compliance, low-interest loans, and tax incentives. The preferred program was basically the third alternative, combined with targeting. This plan, recommeded in 1981, and the plan recommended in the December 1982 final report, discussed earlier, are similar.

SOIL AND WATER CONSERVATION BUDGET

The RCA program proposes a budget range for total funding of the 26 programs. Under the low option, the fiscal year 1983 budget request of $735 million would be held constant through fiscal year 1987. Under the high option, appropriations would have started at $1.005 billion in fiscal year 1982, then increased 5 percent annually (to offset inflation) to $1.282 billion in fiscal year 1987. The final report's budget discussion concluded by stating, "Future budget requests will likely be between the low bound ($735 million) and the high bound (which reaches $1.282 million by fifth year)." These options are graphically illustrated on the next page.

But in fiscal year 1983, a total of only $737 million was requested for these USDA programs by the Administration. Congress added funding to a number of programs, raising total appropriations to $964 million in fiscal year 1983, as enacted in Public Law 97-370. In fiscal year 1984, the Administration has again proposed a lower funding level, $694 million.

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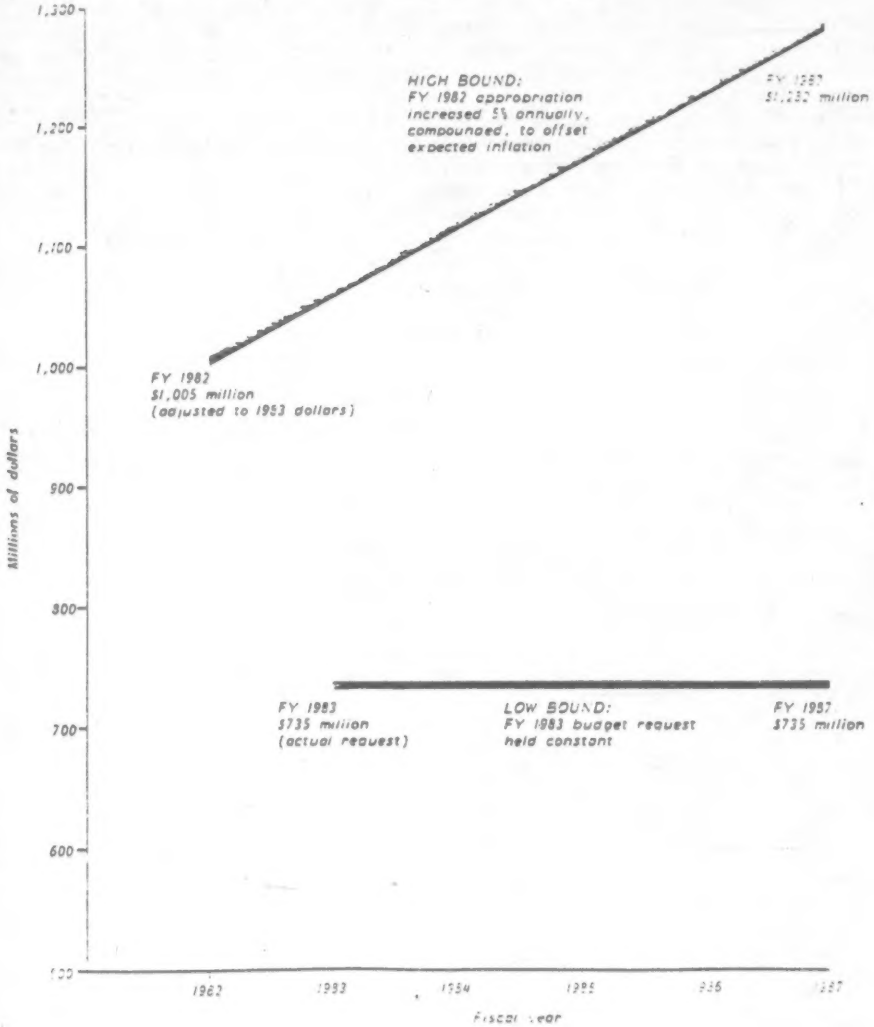
Figure 1. Projected Range of Funding for USDA Soil and Water Conservation Program, 1982-87.



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Summary figures do not reveal basic changes on a program-by-program basis. For example, the ACP Program has been funded at about $190 million annually for most years since 1970. Given inflation, the real value of funds available under this program has declined substantially. By contrast, technical assistance provided under conservation operations increased each year from $109 million in 1970 to $251 million in 1983; when inflation is considered the value of funding was almost constant. Most of the smaller programs show little growth during the 1970's. Exceptions are soil and water loans (FmHA), watershed operations (SCS), the soil survey (SCS), and technical assistance under the Resource Conservation and Development Program (SCS).

The following table lists appropriations for fiscal year 1970, fiscal year 1979 and fiscal year 1983. It also lists the Administration's proposals for fiscal year 1984. Traditionally, many of these programs have been slated for reductions by the Administration, but have been restored to higher funding levels during Congressional budget deliberations. The fiscal year 1984 budget proposes greatly reduced funding for ACP and termination of the Resource Conservation and Development Program.

TABLE 1.—RESOURCE CONSERVATION PROGRAM BUDGETS

[All dollar amounts in millions]

	Fiscal years—		
	1970	1979	1983
Soil, water and air sciences research (ARS) [1]	$14	$37	$63
Agricultural conservation program (ASCS)	185	190	190
Emergency conservation program (ASCS)	5	10	0
Forestry incentives program (ASCS) [1]		15	13
Rural clean water program (ASCS)		0	0
Water banks program (ASCS)		10	9
Colorado River salinity program (ASCS)			
Cooperative research in agriculture and forestry (CSRS) [1]	9	16	26
Natural resource economics research (ERS) [1]	1	3	4
Land and water conservation education (ES) [1]		12	16
Soil and water loans to individuals (FmHA)	4	55	53
Research and State and private forestry (FS) [1]	8	16	16
Conservation operations (SCS)	109	193	251
Cooperative river basin studies (SCS)	7	16	16
Emergency watershed operations (SCS)	4	10	10
Flood prevention operations (SCS)	14	12	23
Great Plains conservation program (SCS)	15	18	21
Inventory and monitoring (SCS)		13	20
Plant materials centers (SCS)	1	3	4
Resource conservation and development (SCS)	11	25	26
Rural abandoned mines program (SCS) [2]		10	4
Snow survey (SCS)		3	4
Soil survey (SCS)	22	45	51
Watershed planning and operations (SCS)	73	148	160
Resource appraisal and program development (SCS)		6	6

[1] Only a portion of appropriated funds are spent on activities related to soil and water conservation.
[2] Funds transfered from Department of the Interior.

Note.—Lead agency abbreviations: ARS—Agricultural Research Service; ASCS—Agricultural Stabilization and Conservation Service; CSRS—Cooperative State Research Service; ERS—Economic Research Service; ES—Extension Service; FmHA—Farmers Home Administration; FS—Forest Service; SCS—Soil Conservation Service.

The cost-sharing programs would be consolidated under ACP for funding purposes. One new program—to target a smaller amount of cost-sharing funds to reduce salinity in the Colorado basin as well as provide technical assistance through the Soil Conservation Service—would be initiated. Other major proposed reductions include less money for loans for soil and water conservation from the Farmers Home Administration, no new planning or construction starts under the watershed program, and a 60 percent reduction in new contracts under the Great Plains Conservation Program. Under the Resource Appraisal and Program Development category, new studies and pilot projects to test RCA strategies would be eliminated, even though the Secretary has proposed that testing of these strategies would be a cornerstone in implementing the first five-year plan under RCA. The Administration, in its analysis of the proposed USDA budget, compares the fiscal year 1984 total to

the minimum recommendation of the RCA program ($735 million) and concludes: "The fiscal year 1984 proposal, which is only 6 percent less than the RCA program projection reflects the high priority the Administration assigns to these discretionary, non-defense activities which as a group are slated for substantial reductions."

CONGRESSIONAL ISSUES

The 1982 Final Program Report was submitted to Congress in December. The recommended program can be implemented without legislation. Therefore, Congress is not faced with the need to take immediate action that would implement or reject the program. The program does, however, provide impetus for at least three areas of Congressional deliberation. These three areas are the fiscal year 1984 proposed budget level for the RCA package of programs, new direction the Department will head if it implements the preferred program, and fitting RCA issues into broad natural resource and agricultural policy questions.

The budget proposal for fiscal year 1984 is below the minimum bound for RCA set by the Department for a composite of all RCA programs. Congress may wish to debate whether funds should be restored to at least the minimum bound capability to provide conservation mean for land and water resources. If it is to be restored, what programs should receive higher levels of funding? Should ACP be restored, as it has been in earlier years? Should the watershed program include some new starts? These and related questions will be debated in the fiscal year 1984 appropriations process.

The Department's proposed program has two approaches, targeting and increased grants to State and local government. Targeting is of concern to Members who represent areas where erosion is under control and funding may be reduced. The gradual introduction of targeting through 5 percent increases each year is designed, in part, to slowly overcome this concern. Targeting also may raise questions about where funds can be most appropriately spent. Problem severity and mix varies from region to region, and will continue to stimulate questions about which areas and problems benefit most from targeting. Increased grants to State and local government are part of the "new federalism" philosophy. This approach will raise the same concerns that other new federalism proposals have raised. Is new federalism a vehicle to reduce Federal assistance? Are States and localities accountable? Will States and localities use these funds as Congress and the Administration intend? Two years into this Administration "new federalism" remains little more than a concept in agricultural policies, but if proposals like this are implemented, it could begin to become a reality.

Decisions on land and water conservation, including selection of the RCA program, fit into a number of broader policy issue areas. The PIK, paid diversion, and set aside programs could all benefit conservation. Yet these efforts to reduce surpluses have not been developed to take positive advantage of their impacts on conservation. Conservation goals could benefit greatly from these programs, and for an extended period of time. But, any effort to date to identify and support conservation goals through these programs has been minimal. At the same time conservation is affected by conservation tillage and other new techniques. Other general trends, including changes in the structure of agriculture and changes caused by rural migration, can also effect conservation efforts. Congress may wish to develop a stronger tie between conservation and other policies that encourage changes affecting agriculture. Will the PIK program provide for conservation for only a single year, or can some of the conservation values it initiates be retained in future years? Will policies that support changes in the structure of agriculture adversely affect conservation efforts?

A large number of bills addressing conservation issues were introduced in the 97th Congress. The Farm Bill provided a focus and forum to debate these proposals. The RCA program is likely to provide a similar focus and forum to debate conservation issues in the 98th Congress.

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